

Current History

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SEPTEMBER, 1975

THE PEOPLE'S REPUBLIC OF CHINA, 1975

CHINA AND THE SOVIET UNION: WAITING FOR MAO TO DIE?	<i>Franz Michael</i>	65
CHINESE IDEOLOGY AFTER THE CULTURAL REVOLUTION	<i>Merle Goldman</i>	68
MILITARY CAPABILITIES IN CHINA	<i>Angus M. Fraser</i>	70
CHINA AND THE THIRD WORLD	<i>Bruce Larkin</i>	75
THE CHINESE ECONOMIC MODEL	<i>Jan S. Prybyla</i>	80
CHINA'S RUSTICATION MOVEMENT	<i>Parris H. Chang</i>	85
TAIWAN AFTER CHIANG KAI-SHEK	<i>Theodore Hsi-en Chen</i>	90
WOMEN IN THE COUNTRYSIDE OF CHINA	<i>Delia Davin</i>	93
BOOK REVIEWS • <i>On China</i>		97
THE MONTH IN REVIEW		105
MAP • <i>The People's Republic of China</i>		Inside Back Cover

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NO ADVERTISING

Current History

SEPTEMBER, 1975

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How stable is the Chinese economy? How is China dealing with urban problems? How strong is the Chinese defense structure? In this issue, six articles examine the People's Republic of China's domestic and foreign policies; a seventh article deals with the Republic of China on Taiwan. According to our introductory article: "... the most important basic factor facing us in the Communist world is the continuing Sino-Soviet conflict."

China and the Soviet Union: Waiting for Mao to Die?

BY FRANZ MICHAEL

Institute for Sino-Soviet Studies, The George Washington University

The American defeat in Vietnam most seriously affected the position of the United States in Asia, indeed all over the world. Still, the most important basic factor facing us in the Communist world is the continuing Sino-Soviet conflict. In the last year, no change has occurred in the confrontation of the two major Communist powers, although one might perhaps discern in certain trends and statements a future modification or even a fundamental change in this crucial relationship.

As of 1975, the armies of the Soviet Union and the People's Republic face each other along the 3,000 miles of common border in Manchuria, the Mongolian People's Republic, and Turkestan; incidents occur, and both sides seem to increase rather than decrease their military strength. According to American military opinion, the Soviet Union has further strengthened its air force and, by 1974, had at least 1,200 war-planes stationed along the Chinese border. American analysts continued to describe the tense situation along the Sino-Soviet border in terms of the possibility of war between the two countries. The Soviet construction of a 2,000-mile-long railroad north of Lake Baikal through Siberia reaching the Bay of Okhotsk at the harbor of Sovietskaya Gavan was interpreted as an indication of the Soviet intention of strengthening its position vis-à-vis China in military as well as in economic terms. This railroad, officially called the Baikal-Amur Mainline (BAM), was being built to open up the rich Siberian resource

areas and to strengthen the economic autonomy of the Far Eastern region of the Soviet Union. It was also regarded as a backup to the exposed Trans-Siberian railroad, which is close to the Chinese border and therefore vulnerable in case of military confrontation. The new railroad provides (so it was believed) a strategic alternative to the older Trans-Siberian railroad, which had been the only and overtaxed link with the Far East ever since Tsarist times.

In their propaganda, on the other hand, the Soviets charged that China was building up her military forces in the critical area. In September, 1974, Tass charged that China had turned Tibet into a "huge military base," a menace to her neighbors, particularly to India. In view of the growing Soviet-Indian rapprochement and India's increasing reliance on Soviet support, this Chinese move, designed to place a military threat directly on the flank of the link between New Delhi and Moscow, may well be regarded by the Soviets as a Chinese military countermove. According to Tass, China had expanded her regular army to three million men, supplemented by six or seven million militia, and had transformed Tibet into a network of bases for missiles and long-range artillery. China allegedly employed radar and missile sites with ranges from 600 to 2,500 miles along the Indian border, with strategic air bases and a network of railroads in Tibet along the borders of the Soviet Union, Pakistan, Nepal, Bhutan, Burma and India.

On the Soviet side, the border troops on the Chinese frontier were kept on alert through frequent maneuvers; their morale was boosted by special distinctions given to garrison troops, like the rewarding of the Order of the Red Banner for contributions to the defense of Soviet territory.

The propaganda about the Chinese danger was directed not only toward the outside. Institutes in Moscow like the Institute of Oriental Studies were used by the authorities to spread the government's view of China throughout the country by extensive lecture programs to various groups. The effectiveness of this propaganda, which stimulated a concern over a possible war with China, can be seen in the reaction of Alexandr Solzhenitsyn, the great writer and fighter for the cause of human freedom. In his appeal to the Soviet government for changes in the repressive system, Solzhenitsyn mentioned the urgency of averting a war with China as one of the reasons for the need of a change in Soviet policy. Solzhenitsyn believed that the conflict (which, in his view, was primarily ideological) could be resolved if the Soviet Union abandoned Communist ideology. He thought that the settlement of Russian people in Siberia would also help by averting the "dynamic pressure" of China against Soviet Asian territory.

SOVIET REACTIONS

Whether Soviet propaganda against China is meant to be defensive or offensive, it is counted as a factor that is bound to accentuate a tense situation. In this conflict, the People's Republic of Outer Mongolia continues to stand on the Soviet side. On November 26, 1974, at the fiftieth anniversary of the Mongolian People's Republic, Soviet Communist Party Chairman Leonid Brezhnev went in person to Ulan Bator and in his speech mentioned the Chinese claim to "disputed territory," which he rejected. In response, the Mongolian Premier, Yumzhagiin Tsedenbal, stressed Mongolia's allegiance to Moscow and accused China of creating "smoldering hotbeds of war and tension."

In a similar vein, the Soviet Union reacted to the Chinese attack and capture of the Paracel Islands off the Vietnam coast. Surprisingly, the Soviet Union supported South Vietnam in her claim to these islands, siding with Saigon against China, at the same time that it supported Hanoi's offensive against Saigon. This was even more surprising in view of the fact that on Soviet maps the Paracel Islands were described as Chinese territory. This Soviet move was regarded abroad as linked to the Soviet fear of a Chinese claim to Soviet territory, once territorial issues were opened in other areas. It seems more probable that the move reflected Sino-Soviet rivalry in the Indochinese peninsula, in view of Hanoi's expansion and the American retreat in that area.

Tension along the border was accentuated by a number of minor border incidents. The most serious occurred on March 14, 1974, when a Soviet helicopter with a crew of three men was captured by the Chinese on Chinese territory in the northern border region of Sinkiang Province. The Soviets first revealed the loss of their helicopter, claiming that the aircraft had been on a rescue mission to pick up a gravely ill Soviet soldier in the Altai mountain region and that it had by mistake and because of bad weather strayed over China. They requested the return of the crew and of the aircraft. The Chinese replied that the helicopter was captured by them when it landed. They claimed that the crew had no medical equipment but carried arms, ammunition and documents, which indicated that it was on a spying mission. They further asserted that, as they had already previously complained, Soviet aircraft had intruded into Chinese territory and landed there 61 times before in 1974 alone. On May 2, Soviet authorities sent another more threatening note in which they again demanded the return of the aircraft and its crew under threat of "inevitable consequences of this provocative stand." They again denied that the helicopter was on a spying mission. The case has not appeared in the news since. But the Soviets may well have used the frontier negotiations, which continued, as a way to pressure the Chinese into concessions. They again demanded Chinese recognition of the Soviet territorial jurisdiction over border rivers in exchange for permission for Chinese ships to use the Soviet "inland waterways." This referred to the argument over the actual line of the border along the waterways: the Soviet Union maintained that the beds of the rivers, according to treaty maps, were under their jurisdiction, while the Chinese referred to the international general rule that a border runs along the middle of the main channels of rivers.)

This issue lay behind the border incident of 1969, when Chinese and Soviet forces fought over islands in the Ussuri and Amur Rivers. It especially affected a somewhat larger triangular area within the confluence of the Ussuri and Amur Rivers. This area, opposite the Soviet city of Khabarovsk, was Soviet-occupied. On the Chinese side, a canal that formed the third line of a triangle connects the two rivers. In summer, this canal becomes shallow and poses difficulties to navigation. The Soviet offer to cooperate on a deepening of the canal and in the general use of waterways, in exchange for Chinese acceptance of the legal situation, was called blackmail by the Chinese.

Behind this tension, the Soviet Union continued to put out feelers for negotiations. On June 26, 1974, Soviet Deputy Foreign Minister Leonid Ilyichev returned to Peking presumably to resume Sino-Soviet talks, which had been suspended for a whole year, even though Ilyichev had been in touch with the

Chinese ambassador in Moscow. Less than two months later, however, Ilyichev returned to Moscow, presumably because the negotiations had remained sterile. This Soviet attempt may have served as propaganda rather than as an effort at real negotiation. Ilyichev's departure from Moscow took place on the eve of United States President Richard Nixon's visit to Moscow, and could have been interpreted as a move to balance the invitation to President Nixon with a gesture toward Peking. This would be well appreciated by other Communist parties, which approve any Soviet attempt toward reconciliation with China. On February 2, 1975, Ilyichev returned to Peking, to return again to Moscow on May 6. The negotiations appear therefore not to be ended.

Toward the end of 1974, the Soviet tone toward China changed somewhat. On November 2, Soviet Premier Alexei Kosygin, making a tour of the Soviet Kirghis Republic in honor of its fiftieth anniversary, spoke on Soviet relations with China. His tone was moderate. He avoided polemics, stressing the Soviet aim of maintaining peace in Chinese-Soviet border relations. He renewed the idea that détente, like peaceful coexistence, could be extended to China. (The Chinese People's Republic, in return, offered to conclude a nonaggression pact between China and the Soviet Union; but since this offer was connected with a suggestion of a pullback of troops by both sides from the frontier, it was rejected by Brezhnev in his speech at Ulan Bator on November 26.) The offer, according to Moscow, was nothing but a repetition of an earlier Chinese demand for a Soviet withdrawal from the frontier, which in Brezhnev's words, would open the question of Chinese claims to Soviet territory. However, Brezhnev declared that an agreement on "suitable terms" could be reached.

These tentative Soviet gestures were a response to a Chinese attitude that appeared to be softening on the possibility of negotiations. The main change that could be observed in the attitude of China's leaders in Peking was the disappearance of their fear of a Soviet attack. The preparation for a people's war against the Soviet Union, which had characterized the period after 1969 and which had led to a rash of digging air raid shelters across China under Mao's slogan, "dig tunnels deep," seems to have dissipated.

This did not mean that Chinese accusations against the Soviet revisionists had been moderated. An example of China's new attitude could be seen in Chinese Premier Chou En-lai's report to the Tenth National Congress of the Chinese Communist party on August 24, 1973. In this report, Chou En-lai attacked Brezhnev, "the chief of the Soviet revisionist renegade clique," as an enemy of China's great proletarian cultural revolution, who had in 1967 openly "taken the side of Liu Shao-ch'i and his renegade clique" and had "ranted" about a continued policy

of subverting the leadership of the Chinese Communist party to "bring it back to the road of internationalism." This, in Chou's words, would have "reduced China to a colony of Soviet revisionist social imperialism." In this same speech, however (in which Chou also accused the Soviet Union of colluding with the United States while contending for hegemony), Chou En-lai claimed that the real Soviet attack was directed not toward China or Asia, but rather toward Europe. He held that the attempt by the West to turn the Soviets eastward to divert this peril would not succeed because China is "too tough a piece of meat . . . to bite into." He claimed, rather, that at present "the Soviet revisionists are making a feint to the east while attacking in the west" and stated that the real goal of Soviet expansion was in Europe, the Mediterranean, and the Indian Ocean.

The Soviet attempts to speak of relaxation in Sino-Soviet relations Chou described as "nonsense." This was mere propaganda, as was all their talk about worldwide relaxation of tension. Accusing the Soviet Union of maintaining troops in Czechoslovakia and Mongolia and not returning the northern islands to Japan, Chou asked sarcastically whether China would have to give up all her territory north of the Great Wall for the sake of improving Sino-Soviet relations. Nonetheless, he maintained that the Sino-Soviet boundary question must be settled peacefully through negotiations and without threat.

Eighteen months later, Chou gave another report, at the first session of the Fourth National People's Congress of the People's Republic of China on January 13, 1975. As in his report at the Tenth Party Congress, Chou was mainly concerned with restating Chairman Mao Tse-tung's revolutionary line in domestic and foreign affairs. In his comments on Sino-Soviet relations, his tone seemed to have been somewhat moderated. He spoke of the "Soviet leading clique"—no "revisionist renegade" there—which had "betrayed Marxism-Leninism," and claimed that what he called a "debate" on matters of principle would continue for a long time. However, Chou stated, "this debate should not obstruct the maintenance of normal state relations between China and the Soviet Union"; thus he accepted the concept of peaceful coexistence

(Continued on page 104)

Franz Michael lived in China before and during part of World War II and has made frequent trips to Asia. At George Washington University he is chairman of the research colloquium on modern China. He is the author of many books, the most recent of which are *The Far East in the Modern World* (New York: Holt, Rinehart & Winston, 1965) and *Teiping Rebellion* (Seattle: University of Washington Press, 1966).

"... [T]here has been no resolution of the underlying tensions that have persisted since the Cultural Revolution between those who advocate ideological methods and those who advocate economic methods to achieve China's modernization. China is once again at a crossroads. . . ."

Chinese Ideology After the Cultural Revolution

BY MERLE GOLDMAN

Professor of History, Boston University

THE FOURTH National People's Congress held in January, 1975, reestablished the government structure destroyed in China's Cultural Revolution. It also marked the winding-down of the anti-Confucian campaign and the opening of a new controversy over material incentives.

The campaign against Confucianism that had been under way since the fall of 1973 and the debate over material incentives that began in February, 1975, reflected ideological as well as factional disagreements in the regime. Yet in the post-Cultural Revolution period the overriding trend in China has been toward unity and stability. In contrast to the Cultural Revolution, there have been no emotional, uncontrolled campaigns, no political scapegoats except dead ones, and no rampaging Red Guards or political activists. Though there have been some loud, discordant strains, the major themes of the discussions on Confucianism and on material incentives have been to strengthen party control rather than to weaken it. The regime is still beset by factional and ideological differences. Nevertheless, post-Cultural Revolution policies have attempted to reverse the process of decentralization, to strengthen the party organization weakened by the Cultural Revolution, and to proceed with the task of modernizing China.

Although it rejected Confucianism, the anti-Confucian campaign used the traditional Chinese method of conducting policy debates through discussions of Chinese history. These discussions camouflaged debates that could not be resolved among the leadership and that could not be discussed openly for fear of another disruptive campaign like the Cultural Revolution. But within this relatively closed system of communication, various factions debated China's future course. Premier Chou En-lai had charted that course in 1971-1972 by returning to some pre-Cultural Revolution practices in an effort to reestablish stability and unity. In contrast to the Cultural

Revolution, emphasis was placed on material incentives rather than on ideological persuasion as the means to increase production. More conventional educational practices were reintroduced. Classroom teaching and examinations were inserted alongside the more politicized educational methods of the Cultural Revolution, like education through work and the large-scale admission of workers and peasants into the universities. With the restoration of some pre-Cultural Revolution practices, purged officials associated with those practices returned to their former positions.

Subsequently, in the first half of 1973, some articles appeared criticizing Confucianism for bringing back officials who had been retired into obscurity. These criticisms were apparently directed at Chou En-lai's rehabilitation of purged officials. It is not clear who instigated these criticisms, but they were apparently encouraged by the ideologues who emerged in the Cultural Revolution under the aegis of Chairman Mao Tse-tung's wife, Chiang Ch'ing. The reintroduction of exams for admission to the universities was also criticized. This subtle counter-movement against Chou En-lai's policies reached its climax at the Tenth Party Congress in August, 1973.

Shortly afterward, however, the dominant leadership under Chou En-lai appears to have taken over the anti-Confucian attack and used it for its own purposes. It denounced Confucius and those who followed Confucianism because they advocated decentralization and ruled by means of ideology. It praised the traditional opponents of the Confucians, the Legalists, because they promoted centralization, institutionalization, ideological unity, and economic production. Thus, the leadership transformed the use of anti-Confucianism as an ideological attack on the erosion of the Cultural Revolution into an ideological complement to the further retreat from Cultural Revolution policies. From the fall of 1973

through 1974, the anti-Confucian campaign buttressed the regime's accelerating efforts to rebuild party institutions, continue the rehabilitation of party officials, downplay the military, increase centralization, and give greater attention to economic development.

There were countermoves against this retreat. Posters appeared in the summer of 1974 denouncing party leaders. There was a resurrection of some Cultural Revolution slogans, like "no construction without destruction" and "going against the tide." An opera, "Three Visits to Taofeng," performed in 1974, was widely criticized because it allegedly sought to rehabilitate the main victim of the Cultural Revolution, Liu Shao-ch'i, the former Chairman of the Republic, and to reject the Cultural Revolution. This criticism came from the cultural sphere that was Chiang Ch'ing's domain. Despite these countermoves, the regime's anti-Confucian campaign dominated the media, seemingly undeterred. The campaign reflected and probably enhanced the dominance of Chou En-lai, his associates, and their policies.¹

THE FOURTH NATIONAL PEOPLE'S CONGRESS

The National People's Congress confirmed the goals of the anti-Confucian campaign. Those associated with Chou En-lai and with the movement away from the Cultural Revolution rose to the top of the new government established at the congress. Most prominent was Teng Hsiao-p'ing, who, during the Cultural Revolution, was second only to Liu Shao-ch'i as a major villain. He assumed virtual charge of the government on a day-to-day basis and ranked just below Mao and Chou. He became first Vice Premier of the government, vice chairman of the party, and chief of staff of the army. Most ministry posts were filled by old-time party officials, who had been purged in the Cultural Revolution and were linked with Chou En-lai and Teng Hsiao-p'ing. Earlier, in December, 1973, the regional military commanders, who had assumed increasing power in the Cultural Revolution due to the purge of party officials, had been shifted to new regions, where they lost their political positions. With Teng's appointment as chief of staff, the military was brought under party control. All these moves reflected the anti-Confucian campaign's emphasis on unity, institutionalization, and centralization.

Speeches at the National People's Congress explicitly stressed steady economic growth and im-

plicitly emphasized stability. Chou En-lai declared that by the end of the decade China would establish

an independent and relatively comprehensive industrial and economic system, and by the end of the century there will be a comprehensive modernization of agriculture, industry, national defense, science, and technology so that our national economy will be in the front ranks of the world.²

The revised constitution codified these sentiments. It was presented by Chang Ch'un-ch'iao, Second Vice Premier, who was an associate of the ideologies in the Cultural Revolution but was now identified with the party organization. The constitution provided for a margin of freedom for individual economic activities, particularly for those engaged in sideline occupations and peasants on private plots. Through individual enterprise, one could earn supplementary income. On the instructions of Mao, there was also inserted a provision on the right to strike.

Alongside this relatively moderate economic approach, the constitution called for tighter party controls with less room for dissidence. The constitution stressed the central role of the Communist party. Chang explained that the revised constitution would strengthen the party's central leadership.

THE DEBATE OVER MATERIAL INCENTIVES

Shortly after the National People's Congress, a debate ensued over the stipulations of the constitution and the increasing emphasis on economic methods as the means to modernization. This debate was launched by Yao Wen-yuan, a leading ideologue in the Cultural Revolution, whose article attacking a play critical of Mao Tse-tung had initiated the Cultural Revolution. The power of the military commanders had been weakened by the shift from their regional bases. Yet the ideologues, while indirectly criticized in the anti-Confucian campaign and given few posts in the reestablished government, still had access to the system. In the February issue of the party's theoretical journal *Red Flag*, Yao warned of the social costs involved in a concentration on economic development. His statements were given widespread attention, especially his concern that the process of economic development would engender a new class, which he called "new bourgeois elements," who would threaten the socialist system.³ Who were the "new bourgeois elements?" A *People's Daily* editorial of February 9, 1975, defined them as those who

(Continued on page 100)

¹ For further discussion of the anti-Confucian campaign, see Merle Goldman, "The Anti-Confucian Campaign 1973-74," *China Quarterly*, August, 1975.

² Chou En-lai's speech at the Fourth National People's Congress, January 13, 1975, *Peking Review*, January 24, 1975, pp. 21-25.

³ Yao Wen-yuan, "On the Social Base of the Lin Piao Anti-Party Clique," *Peking Review*, March 7, 1975, p. 5.

Merle Goldman, a professor of history at Boston University, is also a research associate of the Harvard East Asian Research Center. She is the author of *Literary Dissent in Communist China* (Cambridge: Harvard University Press, 1967).

"It is inconceivable that Peking could arrive at a position in which it would have the sheer physical power to dominate the U.S.S.R. or the United States."

Military Capabilities in China

By ANGUS M. FRASER

Colonel, United States Marine Corps (Retired)

THE UBIQUITY of party-directed armed forces is a major element in the history of the Chinese Communist party; since 1949, it has been a factor in the internal and external affairs of the People's Republic of China (PRC). The unique social, political and economic characteristics of the People's Liberation Army (PLA) must be put aside here in an effort to assess the *military* capabilities of Peking's forces.

In the vocabulary of the professional military man, the effectiveness of a unit is sometimes expressed in terms of its ability to "shoot, move, and communicate." The perceptions and beliefs of potential opponents about these qualities are among the major determinants of their strategy toward China. The purely military character of the PLA is therefore an important element in the structure of China's total strategy for establishing and protecting her rightful place in the world.

The Chinese Communist leadership is not especially forthcoming with military details, but a flow of information from other sources, with some reservations, supports analysis. The International Institute for Strategic Studies and the *Jane's Fighting Ships* series annually offer detailed surveys of forces. Periodicals and newspapers provide interesting detail, usually on one or a small number of weapons and programs. As a control, the annual posture statements of the United States secretary of defense and the chairman of the Joint Chiefs of Staff are useful. It is safe to assume that these official American sources do not tend to downgrade the capabilities of potential enemies. Finally, of course, there is a flow of information from Peking that at least tells what the leaders want the world and their own people to hear. This sort of information is augmented from time to time by the release of material acquired from the mainland by the Republic of China through its own means. It is on sources of this type that open research must draw and the caveats that necessarily enter must be kept in mind. The data used in this

paper represent the author's attempt to arrive at a reasonable consensus among the several sources.

Mao Tse-tung has built reliance on manpower into the military system for two reasons. First, people are China's major resource; plant and material (as well as technology) are in short supply. Second, the personal involvement of as many people as possible is a powerful unifying force in the social and political fabric that Mao tries to weave. It is not surprising, then, that the PLA is reported to have from 2.5 million to 3.0 million men in the active ground forces, backed by 5 million to 8 million organized and armed militia. The Soviet Union boasts a ground army of 1.8 million and some 3 million reserves. The United States is numerically well behind, with about 978 thousand regular army troops and marines and 644 thousand reserves. The Chinese threat to "drown an invader in a sea of people" must be considered most seriously.

It is generally agreed that the PLA fields between 120 and 130 regular ground divisions. In addition, there are some 20 artillery divisions, separately equipped for anti-tank, anti-aircraft, or combat support tasks. Over the last five years, the number of armored divisions has increased from 5 to 7 and cavalry divisions from 3 to 4. One source notes a tripling of airborne divisions—from 2 to 6—but intelligence sources hint that these are air-transportable rather than true assault airborne divisions. There may be as many as 40 railway and construction divisions of the type that proved their worth in North Vietnam. In addition to the sizeable militia, there are a number of border defense and military internal security divisions, armed with light infantry weapons and organized on military lines. The production and construction corps units found in the more remote areas are essentially civilian but are convertible to a number of military uses.

The deployment of ground forces reflects the current preoccupation with the threat from the Soviet Union and some relaxation of concern over possible

ground action by the United States. It is significant that the strength oriented on the borders with the U.S.S.R. has increased about 30 percent in the last 5 years, while strength in the Wuhan and Canton areas has dropped by one-third. A British newspaper placed Chinese military strength in Manchuria, the Peking area, Sinkiang, and Lanchou at 64 infantry divisions, plus 5 armored, 11 artillery, and 2 cavalry divisions.¹ Other observers, using different geographical breakdowns, come reasonably close to these figures.

The *Daily Telegraph* also notes that the Chinese have not placed first-line units against the border in close confrontation with Soviet forces. First-line units are held some distance back and the space is filled with militia and border defense units. If the "sea of people" is a valid component of Peking's strategy for defense, then this pattern is part of a plan to slow, harass, and entangle an invading force, giving up some of the ability to strike first over the border and thus to achieve tactical surprise.

Since the Korean War, the PLA has progressed considerably in fitting out with home-manufactured gear, although a good share of its gear is still based on Soviet originals. General George S. Brown, chairman of the Joint Chiefs of Staff, recently told the Congress that the weapons inventories of the three major powers compared as follows:²

	U.S.S.R.	U.S.	P.R.C.
Medium Tanks	40,000	9,000	8-9,000
Armored personnel carriers and fighting vehicles	30-40,000	22,000	3-4,000
Artillery	15-20,000	6,000	15-16,000
Heavy mortars	5-10,000	3,000	5-6,000
Helicopters	2,000	9,000	500-1,000

The Chinese tanks are for the most part the T-59 model, a copy of the Soviet T-54A. The armored personnel carriers are home-designed and -engineered, and the artillery is shifting increasingly to lighter-weight weapons, also designed and produced in China. Mortars appear to be essentially of the same type as Soviet models. The helicopters are of Soviet design, made in China.

It is noteworthy that the PRC is also concentrating some effort into the production of what are called

"battlefield guided weapons." Of this category, General Brown noted: "The PRC has a large inventory of crew-served weapons, particularly a native-designed 82 mm recoilless gun and thousands of RPG-2/7 weapons."³ (The latter is apparently a copy of a Soviet reloadable, shoulder-fired grenade launcher.)

A PLA document intended for troop education has been obtained and published by the Republic of China on Taiwan. It has this to say about weapons manufacture:

A fairly complete system of defense industries has now been established. Aircraft, tanks, and other equipment can be produced in quantity. Atomic bombs, hydrogen bombs, and satellites have also been made. Conventional weapons produced by our country are of considerable assistance in international revolutions.⁴

Although the PLA would have priority on China's growing rail transport capabilities and the civilian truck fleet in time of war, the army is essentially dependent on foot movement. The military truck fleet has increased only slowly over the last 12 years and fighting vehicles and armored personnel carriers are present only in modest numbers.

There has been significant improvement in military communications and electronics, and in the civil networks that would serve higher command elements in war. The Soviet Union and the United States continue to be ten or more years ahead in technology, but this fact alone does not deprive the PLA of systems that are minimally adequate for the style of war it contemplates. China is making serviceable and rugged equipment for field use. Only when sophisticated gear for air defense functions becomes important does the Chinese position become really disadvantageous.

THE AIR FORCE

Peking's air arm, like its ground forces, is made up of Soviet-furnished equipment, systems built in China but of Russian design, and a small but growing number of home-designed and -produced items. The International Institute for Strategic Studies gives the strength of the air force as 220 thousand, including some 85 thousand air defense troops.⁵ Comparable figures for the United States and the U.S.S.R. are, respectively, 645 thousand and 400 thousand. Aircraft strength is given as about 3,800 combat aircraft, distributed as follows:

Tu-19 bombers	at least 50
Tu-4 medium bombers	"a few"
Il-28 light bombers	200
Tu-2 light bombers	100
MiG-15	"some"
MiG-17	about 1700
MiG-19	at least 1300
MiG-21	about 50
F-9 fighters	up to 400

¹ *Daily Telegraph* (London), July 14, 1974.

² U.S. Military Posture for Fiscal Year 1976 by Chairman of the Joint Chiefs of Staff, General George S. Brown, USAF, undated.

³ *Ibid.*

⁴ Outline of Education on Situation for Companies, edited and printed by Propaganda Division, Political Department, Kunming Military Region; reprinted and published by Political Department, 11th Regt., Yunnan Production Construction Corps, April 25, 1973.

⁵ The International Institute for Strategic Studies (I.I.S.S.), *The Military Balance, 1974-1975* (London, 1975).

In addition, there are about 400 transport aircraft and 300 helicopters—somewhat lower figures than those given by General Brown.

General Brown testified that the PRC had over 3,500 operational home defense aircraft, distributed among MiG-17, MiG-19, and MiG-21.⁶ He noted that only a small number of MiG-21 were operational and that local production of this type had been suspended. The Chinese are now developing a new all-weather interceptor (an area in which they have been seriously weak); the production of MiG-19, which had been expected to stop, is continuing. There is evidence that the new aircraft has run into problems, evident in a statement by William Colby, director of the United States Central Intelligence Agency. Colby told the committee that the drastic drop in Chinese military procurement expenditures in 1972 was primarily due to a cutback in aircraft production; new priorities or an inability to produce follow-on advanced weapons systems could have been contributing factors.⁷ It has been noted by others that Peking's attempt to buy a sizeable number of Rolls-Royce Spey aircraft engines might support the latter reason. In any case, China's air arm is distinctly inferior, plane for plane, to the air force of the Soviet Union or the United States. Japanese air forces are qualitatively superior, but too small in number to cause immediate concern to China.

The bombers in the Chinese air force represent a nuclear weapons delivery capability. The Tu-16 has dropped a 3-megaton test device.

The center of gravity of the air force can be shifted with reasonable ease. As would be expected, there is (at the time of this writing) a heavy concentration of air defense aircraft in the areas along the Sino-Soviet border. Altogether, some 3,000 aircraft are dedicated to air defense missions; the remaining 500-800 have tactical assignments. This mix can be varied, should more tactical support be required.

The general air defense system of the PRC has serious shortcomings. The lack of all-weather interceptors has been noted. There has been no attempt to develop an advanced ballistic missile (ABM) system. Surface-to-air missiles (SAM) sites are limited and communications and control systems are poor. The SA-2 missile is basically a Soviet item and is still the centerpiece of the air defense system. It has been reported that the PRC operates a Ballistic Missile Early Warning System that gives coverage over 90 percent of the attack arc from the Soviet Union. In

general, the system for national air defense is said to be thin but well organized, with heavy concentrations of artillery-type anti-aircraft weapons around important industrial and military centers.

NAVAL FORCES

Estimates of the personnel strength of the PLA naval force vary from about 170 thousand to 230 thousand, including the naval air arm and marines. I.I.S.S. figures show 551 thousand navy men and 196 thousand marines in the United States service and 475 thousand in the Soviet Union.⁸ These figures reflect the position of naval forces in the strategies of the three powers. Chairman Mao has declared that the PRC will have a powerful navy but his thinking does not comprehend the maritime concepts of the other powers. The role of sea forces in China is one of defensive operations along the extensive coast line and some capability for submarine operations in Asian waters.

The standard authority on world naval forces gives this list of vessels in the Chinese naval inventory:⁹

TYPE	IN SERVICE	BUILDING
Destroyers, guided missile	5	2
Frigates	14 (7 with missiles)	1
Corvettes	30	4
Submarines		
"G" class		} 4 "patrol types"
(missile capable)	1	
"R" class	24	
"W" class	21	
Patrol and Fast Attack Boats		
(missile-firing)	80	15
(gun boats)	455	20
(torpedo boats)	150	

A number of the patrol vessels are now hydrofoil craft of Chinese design and manufacture. In addition to the ships listed above, the PLA navy mans mine warfare vessels, a mixed package of amphibious ships and craft, and the usual array of service and administrative vessels. The numbers shown here vary in some cases from those used by other sources, but there appear to be no disagreements of major significance.

Peking's submarine strength is the focus of interest in the search for a definition of her strategies and goals. The numbers shown are used because they lie in the "high middle" range of estimates from several sources. Higher figures can be found and, without impugning their sources, they are usually associated with some activity that might be involved in action against these vessels. In addition to the submarines listed, there are a small number of coastal and training boats. There are recurring reports that from one to three nuclear-powered boats are under construc-

⁶ General Brown, *op. cit.*

⁷ "Allocation of Resources in the Soviet Union and China," Hearing before the Joint Economic Committee of the U.S. Congress, April 12, 1974.

⁸ I.I.S.S., *op. cit.*

⁹ *Jane's Fighting Ships*, London, 1975.

tion. The "G" class vessel is the only operating submarine designed for missile firing.

The three classes of submarine shown—"G," "R," and "W"—are the types produced in the period immediately after World War II. For their time, they were excellent submarines, but there is reason to doubt that they could operate effectively against modern techniques.

The PRC has shown some capability to build warships. In a recent article devoted primarily to the merchant marine, it was said that ships of over 10 thousand deadweight tons were constructed in seven shipyards located in Shanghai, Tientsin, Talien, and Canton.¹⁰ General Brown told Congress that the PRC had built two of the world's most modern shipyards in Hu-lu-tao and Kuang-chi.¹¹ The four missile-equipped destroyers of the LUTA class now in service are home-designed and -built and are considered to be excellent ships.

According to the I.I.S.S., three fleets operate from bases in Tsingtao and Lushun (the North Sea Fleet), Shanghai and Chou Shan (the East Sea Fleet), and Huangpu and Chanchiang (the South Sea Fleet), with strength in the center area about equal to the sum of the other two.¹²

Naval air forces are not heavily involved in the sort of patrol and barrier missions seen in more advanced navies, although they fly reconnaissance missions. The aircraft are, for the most part, involved in air defense and the strength of naval air (except for some maritime reconnaissance planes) appears to be included in the overall air strength given by General Brown.

The Chinese navy does not venture abroad very often, and few sightings are reported. While the Chinese force would be reluctant to challenge another navy, it nevertheless has the ability to operate effectively when conditions are favorable. The small amphibious operation using land, sea, and air forces that took the Paracel Islands from a South Vietnamese garrison in January, 1974, was well planned and executed, but was probably undertaken only in the belief that an old territorial claim could be asserted with little chance of intervention by an outside power.

NUCLEAR FORCES

There is little new to be said about this element in China's military system. The most recent test took place over a year ago (June 17, 1974), following its predecessor by almost exactly one year. In a press conference, United States Secretary of Defense James Schlesinger said that the test "simply reflects the slow

pace of the Chinese program" which, he observed, was "moderately successful."¹³ With respect to China's strategic programs in general, General Brown said in 1975: "there is a steady, almost painstaking quality about this relatively small, but carefully conceived, strategic program."¹⁴

Since October, 1964, China has exploded some 16 nuclear devices, one of which was never publicly acknowledged. Western monitors believe that it was a failure, either a premature firing, or sabotage. The tests included one underground and one missile shot; the remainder were tower- or air-delivered firings. Yields have ranged from 20 kilotons (Hiroshima size) to 3 megatons.

It is prudent to have more than one delivery system for nuclear weapons. Although China is believed to be at work on a missile for submarine launch, there has not yet been a test that indicates its readiness for production and use. The Tu-16 aircraft has the ability to carry a three-megaton warhead over its operating radius of 1,650 nautical miles.

China produces some types of missiles in useful numbers. Several times in recent years there have been flurries of firings that suggested proof firing or training exercises. Vehicles now in service include liquid-fueled rockets of a 600 and 1,600 nautical-mile range. One rocket, described as a "limited range" intercontinental weapon, has been fired a distance of 3,500 nautical miles and may be ready for production in the near future. Work is in progress on solid fuel devices, but none are operational.

The first test of a true ICBM is predicted frequently, but has not yet taken place. Some activity on the east coast of Africa and on the north slopes of Mt. Everest, as well as the sighting of an instrumented ship for down-range operations, have been associated with the prospect for an early test. There are said to be technical problems that have slowed the program; it is also possible that the introduction of a weapon that could strike the United States has been delayed in order to concentrate on shorter-range missiles that could reach well into the Soviet Union.

Recent assessments of China's nuclear force range from 50 to 100 aircraft, 20 to 30 intermediate-range ballistic missiles and 50 or more medium-range weapons. It has recently been reported that Peking has a mobile launch system that could offset to some degree the vulnerability to preemption under which the Chinese have previously operated.

IMPROVEMENTS AND TRENDS

The ground force equipment of the PLA is being upgraded at a modest, steady pace. There are no startling innovations or new departures. The newer family of artillery has sacrificed some range for weight reduction, but numbers increase slowly. It is to be noted that the "cannon per infantry division" ratio

¹⁰ "Red China: The New Maritime Superpower," *Sea Power*, February, 1975.

¹¹ General Brown, *op. cit.*

¹² I.I.S.S., *op. cit.*

¹³ *The New York Times*, June 18, 1974.

¹⁴ Brown, *op. cit.*

is smaller in the PLA than in the armies of prospective opponents, particularly when battlefield rocket launchers are included.

The PLA's T-59 tank—the Chinese version of the Soviet T-54A—is still the principal armored combat vehicle. The growing number of smaller crew-served or individually fired anti-tank weapons (mentioned earlier) suggests that some decisions have been taken about the role of these new battlefield-guided weapons against forces heavily superior in armor. The relatively modest programs for the production of tanks, armored personnel carriers and helicopters may reflect, as General Brown suggests, Chinese tactical doctrine and perceptions of ground force deployment; it is also possible that these programs are controlled by economic and production conditions.¹⁵ In any event, there is apparently no major effort to increase battlefield mobility.

Communications and electronics for PLA use have a strong claim on production; and the electronics industry provides a steady flow of more modern (but still far from United States or Soviet standards) communications and electronics gear for all the armed forces.

Chinese programs for improving the performance of aircraft and other air defense elements are somewhat difficult to interpret. The effort to produce an indigenous high-performance, all-weather interceptor, the F-9, has apparently run into technical problems of some severity. The amount of money being spent on aircraft procurement has, as noted earlier, declined sharply, as has the air force share of the total budget. Although Peking has produced MiG-21 in small numbers, this operation has apparently stopped and the MiG-19 has been chosen for continuing production. The production of Tu-16 has also been halted or slowed, and earlier estimates of the number in service have been sharply reduced. There is little demonstrated interest in bombers or in the types of aircraft designed primarily for assault airborne operations. Generally, effort in the aircraft field has, at least for the time, been shifted from production to research and development. There does not appear to be any massive effort for qualitative improvement in other items associated with complete air defense systems.

China is making significant progress in the production of some items of naval equipment. The number of "R" and "W" class submarines grows steadily, and reports of more modern boats under production persist. The LUTA class destroyer is armed with missiles, torpedos, and guns; it represents a significant accomplishment and is in series production. The number of patrol vessels of several types, some armed

with STYX missiles, continues to grow, and the PLA navy is now manning a number of very fast hydrofoil boats produced in the PRC and of home design. There does not appear to be any major effort to produce amphibious ships or craft, or to go beyond destroyer size in surface elements.

There is little open information about on-going Chinese nuclear weapons programs. In 1968, United States Secretary of Defense Robert McNamara predicted a modest Chinese ICBM capability by 1975. This has not appeared. The nuclear program has nevertheless been remarkably effective, given China's late start and her comparative poverty. Whether the ICBM program has lagged because of resource distribution problems and priorities or has simply been put aside in favor of more urgent efforts to produce weapons that would directly deter the Soviet Union cannot be determined with certainty. It would be prudent to take heed of General Brown, who said that China is engaged in long-range programs that include:

impressive new facilities for producing large quantities of nuclear material, solid propellant missiles, and R&D initiatives addressing advanced air frames and sophisticated engines.¹⁶

ARMAMENT POTENTIAL AND ALTERNATIVES

Slow growth in China's nuclear strength is evident in the additions to missile strength estimated each year. However, Peking clearly recognizes that catching up with the United States or the U.S.S.R. in number and variety of weapons would be a hopeless task. It should be expected that a strategy of deterrence and hostage-holding, whatever its weaknesses, is the only feasible Chinese posture for the time being. Within such a concept, it may be expected that China will continue to produce weapons of steadily improving technical quality. Such a program would further raise the price that would be paid by an attacker and give China the ability to intimidate other nations in the region should the superpowers be seen as losing their will to oppose her. For the time being, China will continue to evade efforts to engage her in arms control or disarmament discussions.

(Continued on page 102)

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¹⁵ *Ibid.*

¹⁶ *Ibid.*

"... just as China maintains a tension at home between stability and change, so she prizes a dynamically stable outcome in the international sphere."

China and the Third World

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THE STRONGEST THEME in China's current third world policy is "to change the old international economic order and build a new one."¹ Since Teng Hsiao-p'ing, now China's principal Deputy Premier, forcefully stated China's policy to the U.N. General Assembly Special Session on Raw Materials (April, 1974), Chinese support for revision of the international economic order has gathered momentum and become more specific.²

It is now clear that the call for new international rules extends far beyond energy and resources. All customary allocations and all procedures by which substantive and procedural decisions have been made are open to selective question. A commitment to stability is also firmly evidenced, stability centering on the nation-state, on "noninterference." The new international rules will be the embodiment of a new stability—a dynamic stability—in which the majority of states, the less developed states of the third world, select the terms of stability and exchange. It is impossible to predict the extent to which China will achieve her objectives, but any success will be due to

initiatives of third world states and complementarities between Chinese and other aims, *not* because China somehow steers the third world. But even achieving the advantages of complementarity will require an astute Chinese political stance.

To this end, China defines herself as a third world state, a new claim in the early 1970's. Her principal identification is not with the "socialist" states, but with the less developed states of Asia, Africa and Latin America. Her insistence on this identification is deliberate and repeated.

After the 1955 Bandung conference, China brought the theme of Asian-African cooperation and common concern into her political phrasebook. Afro-Asia had little reality as an economic or political unit. Although often dismissed as a fiction, the idea of an Asian-African community proved an important precursor to third world cooperation. Celebration of joint interests took on real meaning in the United Nations Conference on Trade and Development (UNCTAD), which first met in 1963, and in the formation of a caucus among third world states to find common positions in UNCTAD and other U.N. bodies, the informal intergovernmental framework known as the Group of 77, which now counts many more states in its deliberations. Peking remains outside the Group of 77, and only participated in UNCTAD after being accorded China's U.N. seat in October, 1971.

Today the third world is important, and China defines herself as part of it.³ China's U.N. entry has brought her not only into the General Assembly and Security Council, but into those specialized agencies and U.N.-sponsored conferences that claim universality.⁴ In these forums, third world states now constitute the new majority. But their importance stems from demonstrated clout, the capacity of the Organization of Petroleum Exporting Countries to increase the world price for petroleum, and the Arab decision following the October, 1973, Arab-Israeli war to withhold oil for political purposes.

¹ *Peking Review*, no. 23 (1975), June 6, 1975, p. 16. I have undertaken throughout to locate the Chinese texts cited in *Peking Review*, since it is the most accessible source for readers who may wish to follow the citations.

² For an able summary of Teng Hsiao-p'ing's position and an assessment of the Chinese analysis of world divisions, see Peter Van Ness, "China and the Third World," *Current History*, September, 1974, pp. 106ff. The first world comprises the "superpowers," the United States and Soviet Union; the second, the intermediate industrial states, like Japan and the states of Europe; and the third world, the less developed states of Asia, Africa and Latin America.

³ For example, "China is a developing socialist country belonging to the third world." Vice Premier Teng Hsiao-p'ing in his speech at a banquet welcoming Philippine President and Madame Marcos, June 7, 1975. *Peking Review*, no. 24 (1975), June 13, 1975, p. 9.

⁴ China is not a member of the World Bank or the International Monetary Fund, associated only loosely with the United Nations. The Soviet Union is not a member of either. China has attacked continued Taiwanese representation in the Bank and Fund. *Peking Review*, no. 47 (1974), November 22, 1974, p. 21.

REDISTRIBUTION

The U.N. Special Session on Raw Materials approved a Declaration on the Establishment of a New International Economic Order and a Programme of Action, modest first steps to even access to goods in industrial and nonindustrial states. China depicts some third world actions as steps toward such a new order,⁵ but portrays the United States and the Soviet Union as endeavoring to hinder their implementation in U.N. bodies, for example at the 57th session of the U.N. Economic and Social Council.⁶ The Organization of Petroleum Exporting Countries (OPEC) is represented as a useful model by which third world producers of primary products can compel redistribution.

Even before the October, 1973, "energy crisis," four copper producers (Peru, Chile, Zambia and Zaire) had formed a producers' group. China displayed interest in the group and attended one of its ministerial meetings. Producers of other products—bauxite, timber, mercury, coffee—have followed OPEC's example, and China has approved. Peking presents the cartels as efforts to win a fair return for exported primary products and to correct a history of exploitation.

China is a significant factor in the world markets for wheat and rice, and may become a major factor in world petroleum trade. She buys wheat abroad—a practice continuing into 1975 despite claims of a thirteenth consecutive good harvest—and sells rice. Hao Chung-shih, the chief Chinese delegate to the U.N. World Food Conference (Rome, November 5–16, 1974), said China had "no long-term policy" to depend on food imports. He congratulated those developing countries that had achieved self-sufficiency in food, but affirmed the virtue of food trade undertaken according to the principles of "equality and mutual benefit." China's own rice sales "are largely for supply and aid to third world countries" and, since 1972, have roughly equaled the value of wheat imported.⁷

⁵ For example, the first summit conference of OPEC (Algiers, March 4–6, 1975), and the Lomé Convention, a trade and economic convention among 46 African, Caribbean and Pacific states and the 9 European Economic Community countries (signed February 28, 1975). *Peking Review*, no. 11 (1975), March 14, 1975, pp. 10–13, 19.

⁶ Geneva, July 3 to August 2, 1974. *Peking Review*, no. 32 (1974), August 9, 1974, p. 21.

⁷ *Peking Review*, no. 46 (1974), November 15, 1974, p. 12. But note that the *tonnage* and aggregate nutritive value of the wheat exceed those of the rice, so that China remains a net cereal importer. It is possible, however, that contributions to domestic reserves exceed the net import.

⁸ See Yuan-li Wu, "China's Energy Resources and Prospects," *Current History*, July/August, 1975, pp. 25ff.

⁹ "Third World: Struggle Against Imperialist Plunder of Raw Materials," *Peking Review*, no. 8 (1975), February 21, 1975, p. 15.

¹⁰ *Ibid.*

China's present oil exports are small; her principal export undertaking for 1975 is an agreement to sell 7.5 mmt—about 3 days' United States consumption—to Japan. But she is developing new and reportedly rich fields, which should send production well above the 50 mmt estimated for 1974. Some sources anticipate production of 400 mmt/year by 1980, enough to place China among major world exporters.⁸ China has fully held the OPEC price in her dealings with Japan. However, the oil glut evident in early 1975 will force cuts in OPEC production or a drop in prices. How will a new exporter be accepted? If world consumption fails to grow rapidly enough, China's petroleum export hopes may contradict her political relations with OPEC members.

However, there is no evidence that China will deny support to third world redistribution initiatives in deed while supporting them in words. Although the precise commercial terms of trade between China and third world countries are difficult to discern, credits extended by China have typically been long term, generous in amount, and interest free, with a significant grace period prior to repayment. On the other hand, a substantial trade deficit is a new problem for Peking, and gives greater weight to enhanced export earnings. This is a potential source of conflict with third world states, and may prove a significant measuring rod of "mutual benefit" in the forthcoming years.

China's focus on redistribution—and procedural change—is apparent in several distinct areas:

(a) *Trade and monetary policy.* China asserts that the advanced industrial states profit from the present international rules; she charges that industrial states "robbed" developing countries of \$98 billion from 1961 to 1972 "through unequal trade terms"⁹ and manipulated the value of money. The United States and the U.S.S.R., according to Peking:

are the biggest international exploiters and oppressors of today, vainly trying to continue to control and plunder the third world. . . . Through transnational companies, the United States has dominated the production, shipment and marketing of most raw materials of the third world. It has been using every means to keep prices of raw materials down to grab maximum profits and shift the burden of its economic crisis on to the third world countries.¹⁰

(b) *The United Nations Conference on the Law of the Sea.* The Law of the Sea Conference has set out to draft new maritime law, with special focus on four issues: (1) the extent of the territorial sea, (2) the extent and terms of economic zones, (3) the exploitation of seas beyond national jurisdiction and the seabeds below, and (4) the rights of naval vessels in "international straits." The first three issues affect third world states directly, and China has taken prudent positions that support third world interests.

She leaves it to states to declare any "reasonable" territorial sea and economic zone, stressing that states that border common seas should settle any differences by consultation. She gives a nod to landlocked states, but supports new legislation giving coastal states strong jurisdiction and denying claims advanced by maritime powers (including the United States and the U.S.S.R.) that jurisdiction should be qualified by rights to conduct scientific study and to harvest fish that the coastal state cannot harvest.

The third issue concerns the high seas: what kind of international regime, with what authority, shall be established? China favors a strong authority that could profit from high seas exploitation (creating a fund for third world development) and could deny the superpowers special advantage from their technological edge. In the plans China has supported, the international regime could undertake exploitation itself; China rejects schemes to license exploitation by those now ready to mine and harvest, which would prolong technological differences and give advanced industrial states control over the resources recovered. Procedurally, China favors voting in which all states cast votes of equal weight, rather than schemes proposed to favor already established maritime regions.

At this writing, it is not clear that there will ever be a general maritime treaty. The conference must come to an agreed text, and a sufficient number of states must ratify the treaty if it is to have practical effect. Assessing the session that ended May 9, 1975, China said it "failed to reach agreement on any important substantive question."¹¹ The head of China's delegation said that failure resulted because:

the two superpowers still maintain their positions of maritime hegemonism, and assiduously cling to the outdated legal regime of the sea and refuse to abandon their control and monopoly over the seas and oceans.¹²

A single text for negotiation, with no official standing, was published at the close of the Geneva session. It does not incorporate China's preferred strictures on naval traffic through "international straits," but on the other issues it goes very far toward positions of the Group of 77.

One further issue may prove a bellwether of China's readiness to bind herself to the third world majority: the provision for the adjudication of disputes. China has traditionally stressed the political settlement of territorial disputes. Will she now agree to submit major issues to binding arbitration?

¹¹ *Peking Review*, no. 21 (1975), May 23, 1975, p. 27.

¹² *Ibid.*

¹³ *Peking Review*, no. 39 (1974), September 27, 1974, pp. 38-39.

¹⁴ Ch'en Mu-hua, quoted in *Peking Review*, no. 12 (1975), March 21, 1975, p. 19.

¹⁵ Deputy Head of the Chinese Delegation, Chiao Jo-yu, quoted in *Peking Review*, no. 14 (1975), April 4, 1975, pp. 19-20.

(c) *U.N. Charter Revision*. Before accepting China's U.N. seat, Peking had spoken of a need for charter revision. On September 19, 1974, Chinese representative Huang Hua stated that:

it is entirely reasonable and proper for many third world countries now to demand a change in the present state of affairs of the United Nations and the necessary revision of the charter. The Chinese government firmly supports their just demand and is ready to join other countries in a serious exploration on the question of the review of the charter.¹³

A Chinese commentator termed "arrogant and fallacious" the Soviet delegate's assertion that it was inadmissible to undermine the veto. A United Nations that was an instrument of the majority, untrammelled by Soviet or United States vetoes in a Security Council, would conform more closely to China's insistence on the primacy of politics, and would probably take positions more in keeping with China's aims than are taken by the present body. The veto is, in any case, something of an embarrassment to China, symbolically and politically: it is a sign of superpower status, which she explicitly rejects, and it makes her target for special pleading to use the veto when she might prefer some less decisive act.

(d) *United Nations Industrial Development Organization (UNIDO)*. The chief Chinese delegate to UNIDO's Second General Conference (Lima, March, 1975) repeated the substantive themes: controlling transnational corporations, practicing self-reliance, and basing industrial growth on agricultural development. Procedurally, he called on UNIDO to:

implement the principle that all countries, big or small, should be equal, and reform its work. We support the reasonable demand of the developing countries to expand the Industrial Development Board so as to increase the number of their seats in the board and their officers serving in UNIDO.¹⁴

The conference adopted the Declaration and Plan of Action of Lima on Industrial Development and Co-operation. China hailed the declaration as based on a Group of 77 draft, and a Chinese delegate said at the closing session that the declaration:

reflects the common aspirations and strong determination of the third world countries to combat colonialism, imperialism and hegemonism, defend their state sovereignty and economic rights and interests, protect permanent sovereignty over their natural resources, develop their national industries and strive for economic liberation. The document expresses the urgent desire and strong will of the developing countries to terminate the old international economic order and set up a new one. It has set forth a series of correct propositions and important principles declaring that the developing countries should rely mainly on their own efforts and make external assistance subsidiary in developing national industries. The Chinese Delegation firmly supports the just demands and reasonable propositions of the numerous third world countries as embodied in the document.¹⁵

The declaration was approved, 82 states in favor, 1 against (the United States) and 7 abstaining (Britain, Germany, Japan, Israel, Belgium, Canada and Italy).

Redistribution extends even to lesser goods, as the following example illustrates:

(e) *Regional Administrative Conference for Long Frequency and Medium Frequency Broadcasting of the International Telecommunications Union (Geneva, October 7-25, 1974)*. China's delegate attributed "disorder and congestion of the broadcasting frequencies" to a "monopoly of the superpowers and a few developed countries," and the conference adopted as a guiding allocative principle the following language "on the basis of a Chinese draft":

... all countries, large and small, have equal rights. [The plan] should also be based on the needs of administration and should bring about satisfactory reception conditions for all peoples, having regards to ... the needs of the developing countries.¹⁶

DIPLOMATIC RELATIONS

In the 18 months ending in June, 1975, China established diplomatic relations with 11 states of the third world.¹⁷ Among them are two major Latin American states, Brazil and oil-exporting Venezuela. Malaysia and the Philippines have signified their readiness to deal politically and in trade with China; but it is also noteworthy that they share with China an interest in the South China Sea, on which they border.

Guinea-Bissau and Mozambique have come to independence following armed struggles. China has called attention to that fact, and has congratulated the revolutionary movements of those two territories, PAIGC and FRELIMO, for their persistence and revolutionary valor.

China is least active in Latin America, though Peking has diplomatic relations with nine Latin American and Caribbean states. Peking has supported Latin Americans' claims to 200 nm jurisdiction

from their coasts, and China's ratification of Protocol II of the Treaty for the Prohibition of Nuclear Weapons in Latin America was deposited with some fanfare. Visitors have moved back and forth in recent months; the Prime Ministers of Guyana and of Trinidad and Tobago have visited Peking. Chinese Vice-Premier Ch'en Yung-kuei, the former leader of the model Tachai agricultural production brigade, reciprocated an earlier visit to China by Mexican President Luis Echeverría. China seeks to encourage Latin American independence from the United States and support for positions of the Group of 77, remarking particularly on nationalization and other economic measures undertaken by Latin American governments.¹⁸ Nonetheless, the intersection of Chinese and Latin American aims is not yet large; and Latin America will remain for some time the region of least concern to China.

China has been more active in Africa, as an advocate of armed struggle to win independence and overthrow selected governments hostile to Peking, as a substantial aid donor, and as the champion of self-reliant national construction. The thrust of China's policies has shifted toward state-to-state relations. Armed struggle is still commended. But China sees the remaining white supremacist regimes of South Africa and Rhodesia as practicing "counter-revolutionary dual tactics," armed oppression and sweet talk, and urges the African people to adopt "counter-revolutionary dual tactics" in reply. Thus African liberation movements, while counseled to "strengthen unity and persevere in struggle," are encouraged to act politically and to widen the openings to political participation that may be extended to them.

Several African visitors traveled to China during the past 15 months. Among them were the foreign ministers of Tunisia, Rwanda, and Gambia; and the Presidents of Togo, Nigeria, Gabon, Zaire and Gambia, and the Prime Minister of the Congo. Peking was also host to Samora Machel, leader of the Mozambican liberation movement FRELIMO, which gained control of an independent Mozambique on June 25, 1975.

China's principal overseas aid project, the construction of the Tan-Zam Railway, is now virtually completed. The very substantial aid commitments made in the early 1970's are gradually being called; a few modest additional commitments have been made.¹⁹ As in her commentary on Latin America, China insists that Africa should develop primarily through self-reliance. Specific measures by African states to overcome dependence on foreign imports are applauded.²⁰

As for the Middle East, China has sustained her charge that the Soviet Union and the United States are "fishing in troubled waters"; Zionism is among the

¹⁶ *Peking Review*, no. 45 (1974), November 8, 1974, pp. 20-21.

¹⁷ Guinea-Bissau, Gabon, Malaysia, Trinidad and Tobago, Venezuela, Niger, Brazil, Gambia, Botswana, Philippines and Mozambique.

¹⁸ "Latin American Countries' Efforts to Develop Their National Economies," *Peking Review*, no. 5 (1975), January 31, 1975, pp. 19, 23, and "New Wave of Nationalization in Latin America," *ibid.*, no. 17, April 25, 1975, pp. 29-31.

¹⁹ Principally a \$67.5-million, interest-free loan to Tanzania for a coal and iron complex, including a 250 km railway line; \$15 million to Gambia for miscellaneous projects; and \$40 million to Tunisia for a canal between Mejerdah and Cap Bon and 1,000 railway cars to transport phosphates. *Africa Research Bulletin*, Economic Series, p. 3270 (*Daily News*, Tanzania, October 8, 1974), p. 3441 (*West Africa*, March 10, 1974), and p. 3474 (*L'Action*, Tunis, April 8, 1975).

²⁰ E.g., *Peking Review*, no. 19 (1975), May 9, 1975, pp. 24-25.

world evils routinely denounced in Peking. Difficulties between Egypt and the Soviet Union are reported in the Chinese press. In fact, however, the Middle East is not a region in which China has much scope for activity. In April, 1975, Chinese Vice-Premier Li Hsien-nien did visit Iran. He spoke of the Shah's "defending state sovereignty and national independence" and Iran's "cooperation with other third world countries," but diplomatically avoided reference to the internal policies of the Shah's regime.²¹ Peking also played host to the Chairman of Democratic Yemen, and extended a \$55-million credit to Afghanistan.

SOUTH ASIA

India's ties with the Soviet Union and her continuing impasse with Pakistan are the prime determinants of Chinese policy in the subcontinent. China repeatedly denounced the Indian takeover of Sikkim, and published reports of Indian economic difficulty. Vice-Premier Li Hsien-nien visited Pakistan (April 20-25, 1975), voicing general support for "the South Asian peoples" against Moscow and New Delhi, and repeating Chinese commitments to Pakistan's defense.

China has given currency to the Sri Lankan proposal to designate the Indian Ocean a "peace zone" and to the U.N. General Assembly resolution lukewarmly endorsing that proposal. In a recent comment, however, Peking points out that "one state" bordering the Indian Ocean is unwilling to act in keeping with the peace zone proposal, and so creates an opening for Pakistan or China to deploy in the Indian Ocean.

Although a factor in the Himalayas by reason of her border, and in Pakistan and Sri Lanka by virtue of her aid, China's political assets in the subcontinent are diffuse, and are not readily translated into domestic influence. A first token of cooperation with Dacca was given when a small Bangladesh delegation attended the Canton Trade Fair.

As for Southeast Asia, the emergence of radical nationalist governments in Cambodia and South Vietnam—and the expulsion of the United States from Indochina—fulfills Chinese predictions of the inevitable outcome in that area. Laos, too, is now shifting, and Thailand has learned that the United States

cannot guarantee security. But it is unclear where these vast changes will lead. For example, will the Soviet Union find itself welcomed as an alternative to reliance (or dependence) on Peking? To what extent will Laos, Cambodia and South Vietnam cooperate? Indeed, is the new South Vietnamese government a free agent? On the one hand, China will have access hitherto denied her; on the other hand, she must establish her care and distance by action, least fears for their independence impel the Indochinese states to deny China the very access she has achieved.

Thailand, Malaysia, Singapore and the Philippines have all undertaken frank talks with China. In Burma and Thailand, however, China simultaneously supports revolutionary movements.²² Can this go on? Will revolutionaries become serious threats? The seeds of conflict with China are certainly present.

SECURITY

Little can be added to the persuasive discussion of China's security offered in this journal a year ago.²³ Security remains, of course, a paramount concern, and China perceives the Soviet Union as the paramount danger. At the close of 1974, however, Peking officials were reportedly letting it be known that they thought the most serious threat was a Soviet attack on West Europe, and that China would not be attacked while West Europe and the United States remained viable.²⁴ China has recognized the European Economic Community (EEC) and has decided upon an exchange of ambassadors. As a group, EEC members are an important Chinese trading partner. Thus third world links with the EEC are probably perceived in Peking as moves marginally and indirectly raising walls against Soviet attack.

The other significance of the third world is as a political guarantor. Although the Soviet Union could attack China at will and China will ultimately rely on her own nuclear deterrent to forestall Soviet force, a window of vulnerability will exist from 1959 until the late 1970's. Chinese political ties to third world countries promise greater costs to Moscow should the Soviet Union employ force.

CONCLUSION

There are other facts we could adduce to show
(Continued on page 103)

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²¹ *Peking Review*, no. 15 (1975), April 11, 1975, pp. 8-9.

²² According to Robert Shaplen, the Thai revolutionaries number 7,000 and are growing at 10 percent per year. The "white flag Communists" of Burma, the Burmese Communist party, in the year ending February, 1975, had doubled in strength from 5,000 to 10,000 and, according to Shaplen, "now constitute a serious threat." Shaplen does not identify his sources. "Southeast Asia—Before and After," in *Foreign Affairs*, April, 1975, pp. 533-557, p. 551, p. 552.

²³ Peter Van Ness, *op. cit.*

²⁴ *China Quarterly*, April-June, 1975, quarterly chronicle and documentation.

"The Chinese economic model rests on a precarious balance of power between China's contending and contentious leadership factions. The balance is made possible by the unifying force of Mao's personality and Chou En-lai's diplomatic, wound-healing abilities."

The Chinese Economic Model

BY JAN S. PRYBYLA

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CHINESE ECONOMIC policy, especially that pursued fairly consistently since 1961—despite the hue and cry of the Cultural Revolution—contains a number of interesting and instructive features. Together they add up to what appears to be an effective developmental model. It goes without saying that many of these features are bound up with China's present political system and the country's millennial cultural conditioning. Thus, they are not readily transplantable to other developing societies. Nevertheless, they present object lessons in developmental economics. The lessons suffer from what euphemistically may be described as imperfect statistics, which make it difficult to gain an accurate picture of the benefits and costs associated with the Chinese path.

The basic economic challenge facing China's policy-makers is to resolve the potentially explosive contradiction between a large and growing population and the supply of goods in everyday use, especially food, clothing, shelter, public health, and education. Once this problem is solved, the living standards of the people can be raised gradually through increases in labor and capital productivity.

The basic population-supply of goods contradiction has been tackled by measures drawing on three fundamental principles. These are: (1) self-reliance, both national and local, (2) a balanced or (as the Chinese call it) "two-legged" approach to the choice of technologies, the size of firms, and planning-managerial organizational structures, and (3) a scale of sectoral priorities that places agriculture at the top of the list, followed by industries (both light and heavy) that support the development of agricultural production.¹ The whole is capped by a sustained and total mobilization of the labor force including, on a part-time basis, schoolchildren and pensioners. The ethical content within which the strategy unfolds

¹ The main exception to this ranking of sectoral priorities are defense-related subsectors of heavy industry. These occupy a place equal to, or better than, that of agriculture.

stresses service to the class-defined community with no thought of self. There is a strong undercurrent of egalitarianism or, better perhaps, anti-elitism. Display of income or power advantages is regarded as reprehensible and is ruthlessly tracked down. One has the impression that in the event of conflict between economic growth and equity of income distribution, equity would be chosen in preference to growth.

POPULATION

A determined effort is made to reduce the rate of natural population increase, which is believed to be about 1.8 percent per annum, roughly 15 million extra people every year. "Birth planning," as the Chinese call the family limitation campaign, is promoted by modern and traditional means. Modern means include the dissemination of birth control information and the distribution, free of charge, of birth control pills and allied gadgetry. If approved by proper medical authorities, abortions are free. Traditional means comprise postponement of marriage and adherence to strict rules of sexual restraint outside marriage.

The birth-planning policy is put into effect by two principal agents: paramedical and public health personnel, and neighborhood, district, or other local revolutionary committees. In the last five or six years, more than a million paramedics ("barefoot doctors" in the countryside, "red worker doctors" in the cities) have been trained in short courses lasting three to six months. An additional three million public health workers work in the countryside and in urban areas under the supervision of the paramedics. One of the duties of the barefoot doctors and public health personnel is to help promote the birth control campaign. Revolutionary committees at the local level refuse to grant a marriage license to anyone under the age of 26, even though the legal marriageable age is 18 for women and 21 for men.

In addition to these two agencies of enforcement,

other institutions are brought into play. Mass organizations, for example, propagate the wisdom and virtue of small families limited to one or at most two children. Subtle hints are given to party members and the ubiquitous cadres to set the right example. In my conversations with younger cadres I have not come across any who would say that they had more than one child. Given the estimated ratio of one cadre to every ten adults in China, observance by the cadres of the family planning code should materially aid in making the birth-planning campaign a success.

The food and cotton cloth rationing system has been used in the past to induce parents to restrict the number of children. No personal ration coupons were allotted after the third child. Given the government's commitment to a birth-limitation policy and the massive means available to persuade or pressure people into compliance, and abstracting from political uncertainties inherent in China's future, there seems to be no reason why the rate of natural increase should not be reduced to 1 percent a year or less within the next two decades.

AGRICULTURE

It is plausible to assume that in the past ten years agricultural output in China has grown at an average annual rate of over 2 percent; probably nearer 3 percent. This has been achieved through increases in crop yields and the more widespread adoption of the practice of double or triple cropping. Both have been made possible by larger supplies of chemical fertilizer (some 60 percent of which come from small and medium-sized communes and county-run plants), pesticides, farm tools and machinery (particularly small, "walking" tractors), mechanized drainage and irrigation equipment (especially pumps), and electric power. About 20 percent of China's installed hydroelectric power capacity consists of stations with a generating capacity of less than 500 kilowatts each.

The significant transformation that is taking place in all these areas is illustrated by the production of chemical fertilizers. Taking 1952 = 100, in 1974, the output index was roughly 12,500 (or about 27 million metric tons). A large volume of productive capital—irrigation and drainage ditches, canals, ponds, reservoirs, embankments, retaining walls, and so on—has been accumulated in the last decade, lessening agriculture's vulnerability to changes in weather. In recent years (1972 excepted), output of grain (mainly rice and wheat) has been in excess of 250 million tons a year and stocks appear to be ample. Massive water management campaigns are organized during the slack farming season by some 50,000 people's communes, which may annually involve as many as 400 million people. Plant strains have been improved through applied research conducted on experimental plots, special farms, and sta-

tions. The overall impression is one of steady progress and solid achievement.

The achievement and progress are in large measure due to the already mentioned positioning of agriculture in the forefront of the policy-makers' preferences. Unlike its Soviet predecessor, the Chinese model is almost "Bukharinistic" in the care it bestows on the farming sector. This solicitude for agriculture manifests itself in several ways. For example, in contrast to the Soviet-Stalinist record, the prices the state pays to the communes for compulsory deliveries of produce are not confiscatory, and the delivery quotas do not as a rule appear to cause harm to investments on farms, availability of current farm inputs, and income distribution among members. In fact, the prices for rice and wheat paid by the government to the farms are higher than the retail prices for these products charged to consumers in government stores. The difference represents a sizeable agricultural subsidy. The agricultural tax paid by communes to the state is calculated as a proportion of the "set-yield"—the estimated "normal" yield—rather than as a percentage of the actual yield. With increases in output per acre, many communes have found their effective agricultural tax rates dropping from around 7 to nearer 3 percent of actual yield.

I have the impression that decisions regarding the portions of disposable farm income to be devoted respectively to public accumulation funds and to members' remuneration are arrived at on the basis of a pragmatic appraisal of the local situation, after consultation with the various interested parties (superior authorities as well as rank-and-file members). Doctrinal dogmatism in these matters probably intrudes occasionally in favor of higher accumulations, but the impression is of a pragmatic, hard-nosed process marked by local variety.

An important consequence flowing from the priority position of agriculture on the national preference scale is its incentive effect on the peasants. The hard work they put in every day is visible to them in the form of improved roads, new dwellings, farm buildings, and clinics, a perceptible lessening of the randomness of flood and drought, the provision of health and medical services, and—most important perhaps—a steady and apparently respectable stream of consumer goods. Since 1961, there has been no starving of agriculture for productive inputs or incentive consumer items. Consumer goods are priced according to whether they are considered by the planners to be essential (e.g., food grains, cooking oil, textile fabric, medicines, works by Chairman Mao), necessary (e.g., coal or wood for heating), or secondary (bicycles, thermos bottles, watches), the price level rising as one proceeds from the essential to the secondary. The response of workers and peasants to differentiated personal material rewards, while ideologically

deplored in newspaper articles, is recognized in practice as a fact of life to which economic policy must adapt for the time being.

INDUSTRY

Perhaps as much as half the goods used by the peasant masses for agricultural production and household consumption are the products of rural industry. The development of tens of thousands of small and medium-sized workshops and factories in the countryside and the smaller towns is a significant characteristic of the Chinese economic model. These industries are, for the most part, set up with locally procured capital; they rely on local sources of raw materials, energy, and manpower, and are managed by production brigade, commune, or county authorities. Instead of letting the peasants drift into urban industry, industry is brought to the peasants.

Rural industrial plants produce a wide assortment of products that can be classified under four headings: (1) producer goods directly pertinent to agricultural production (e.g., repair and production of farm tools and machinery, chemical fertilizer, pesticides, cement, iron and steel, pumps, motors); (2) raw materials and power, extracted from deposits or produced by means which would be uneconomical if undertaken by, say, the provincial or national state for a larger market; (3) consumer goods of the "essential" and "necessary" varieties (especially food processing, manufacture of cloth); and (4) goods processed or components produced for large urban-based plants on a contract basis. Subcontracting chunks of the industrial process to small, rural, labor-intensive enterprises is common in China as it is in Japan. Apparently a sizeable part of the output of China's electronics industry depends on subcontracted work done in both rural and urban ("neighborhood-type") factories.

Some of these have grown from small beginnings into substantial industrial establishments. For example, an automobile parts "street factory," set up some years ago in Changchun by seven housewives to do contract work for the large Changchun Automobile Works, now has more than 300 workers and staff members.² In the same city, neighborhood factories number 500, with a work force of 40,000, 85 percent of whom are former housewives. In a 14-county area of central China, around Chengchow (with some half a million hectares of farmland, most of it irrigated), there are 600 small enterprises run by commune and county authorities and 200 commune-operated farm machine repair works. The plants

produce chemical fertilizer in quantity, which ensures an annual supply of 540 kilograms per hectare of cropland; cement, with which nearly all the local water conservation projects have been built in the last ten years; and a substantial part of the electric motors, diesel engines, and pumps for the nearly 40,000 pump wells in the locality. Most of the steel for building the 300 kilometers of narrow-gauge railway in the 14-county area came from local steel mills.³

The rural industries that dot the countryside use "intermediate" technologies. They should not, I think, be regarded as traditional cottage industries in disguise. Granted that their capital equipment is modest and simple compared to that of large urban plants, it is not primitive. Frequently, it is used in labor-intensive ways. Many ingenious factor combinations have been developed, and simple improvements in the available plant and equipment have gradually raised the average level of technology above what would be considered the traditional plateau. Organizational flexibility is promoted by endowing local commune or county management authorities with fairly broad decision-making powers with regard to investment and marketing, for example. As they outgrow the capability of commune or county authorities to manage them, local enterprises may be transferred to higher state authorities, typically those of the province or municipality. In fact, the bulk of China's industry, including some very large enterprises, like the Shanghai Machine Tools Plant and the Anshan Iron and Steel Corporation, are under municipal or provincial rather than national government management.

There is, in sum, considerable fluidity and flexibility with regard to the locus of management, the size of the plant, and the technology. From production brigade workshops to province-run steel mills, the basic rule is maximum self-reliance in inputs, financing, and so on. The slogan used to point the way for local effort is: "If the conditions allow, we'll go ahead and do the job. If the conditions do not allow, we'll go ahead and create the conditions." The danger that emphasis on self-help may slide into local autarchy (economic as well as political) and entail a loss of benefits potentially accruing from inter-regional division of labor is combated by repeated campaigns for "socialist cooperation" among individual plants and localities, and by rectifications of any and all symptoms of "localism," "departmentalism," "mountain-toppism" and other departures from the guideline of "decentralized management under unified planning."

The development of small and medium-sized rural industries in China is only one of the two "legs" on which Chinese industrial policy stands. The central state and provincial/municipal level authorities invest in larger, more heavily capitalized, more technologi-

² *Peking Review*, no. 20 (May 16, 1975), p. 22.

³ New China News Agency (NCNA) (Chengchow), April 7, 1975, in *Survey of People's Republic of China Press (SPRCP)*, U.S. Consulate General, Hong Kong, no. 5834 (April 17, 1975), pp. 189-90.

ically complex industrial (and agricultural) projects. The simultaneous development of capital-intensive, "modern," large-scale industry and labor-intensive, semi-modern, small- and medium-scale industry by different authorities in concert is an interesting aspect of the Chinese model. It works because the two sectors essentially do not compete for the same resources, including labor skills, raw materials, and energy sources. They complement each other in the types of materials they use, the kinds of goods they turn out, and the intermediate or final demands they cater to.

Many workshops in the countryside and in city neighborhoods produce miniature water turbine generators ranging from 0.6 to 12 kilowatts capacity, to be used, for example, in driving processing machines for farm and sideline products, or powering irrigation and drainage facilities. In contrast, a Harbin factory turns out a 300,000-kilowatt water turbine generating set for the big Liuchiahsia hydroelectric power station on the upper reaches of the Yellow River. Hundreds of tiny electronics plants turn out simple desk calculators; the Peking No. 1 Radio Factory designs and produces a large hybrid analogue computer consisting of two principal computing machines, and 14 small affiliated computers and input-output facilities.⁴ Improved junks and cement boats are built in small local shipyards; the Shanghai yards launch five 10,000-ton freighters every year, plus a 24,000-ton oil tanker equipped with the latest loading, storage, and unloading facilities. In industrial technology, as in the management of industry, a "three-in-one" combination of old, middle-aged, and the scientifically young is much in evidence. An enormous reservoir of ingenuity is being put to use at all levels and in many fields of productive endeavor. In recent years, the petroleum extraction industry has forged ahead, making China (in 1974) a net exporter of crude oil. Should the present pace of exploration and production be sustained, as is likely, in the next decade China could emerge as a significant exporter of oil. Given the trend in crude oil prices, she may be an earner of substantial foreign exchange revenues from this source. From 5.5 million metric tons in 1960, production of crude oil has risen to 70 million tons in 1974.⁵

LABOR

Increasingly, the allocation of labor to different

employments and geographical locations has become a function of administrative command rather than of price. People move into this or that line of work in this or the other locality because they are ordered to do so, or pressured into doing so, not because the wage rates are comparatively more attractive. Job mobility within an enterprise, however, is still encouraged by wage differentials tied to skill levels. While some employees improve their work skills because of an unselfish compulsion to serve the people, others (I think most) do so when a personally detectible material pleasure outweighs the pain involved in acquiring new expertise.

Inter-sectoral and inter-plant administrative direction of labor applies with special force to fresh recruits into the labor force: the junior and senior middle school graduates, particularly those in the cities. The reverse of the motto "Serve the people" is "Disdain self, and do not strive to become an official." Education, at whatever level, is meant to prepare people to become better, more politically conscious and enthusiastic peasants. Sometimes fate, in the garb of an administrative decree (or informal cadre-parent influence), decrees that the school graduate get a job in urban industry. He is the lucky one. The general policy is not to produce unemployable intellectuals who shirk manual labor, especially work in the fields, and to tailor the supply of potential industrial workers to the employment growth rate of modern urban industry. The remaining school-leavers are thrust out of the cities "down to the countryside and up to the mountains," *hsia-hsiang shangshan yun-tung: au revoir Shanghai; bonjour tristesse* in Inner Mongolia! Since 1969, about 10 million urban-educated youngsters have been dispatched from the cities to create with their hands productive capital in the countryside and, with their trained minds, to help form the peasant masses, while learning politics from them.⁶

The massive downward transfer movement is accompanied by strict administrative control over rural migration into the major cities. As a result, between 1953 and 1973, the ratio of urban to total population rose from 13 percent to only 16 percent, an uncommonly small increase in an industrializing country. Everyone who resides in a Chinese city of any size today is there because he has permission to be there, and such permission is given only if the applicant has a full-time job, or is retired from urban employment, or is a dependent performing household chores, or is going to school. There are no unemployed, no vagrants, no drifters. In consequence, the pressure on urban public utilities is kept within manageable bounds and urban crime rates are reportedly low. Shanghai (population over 10 million) beds down at about 10 p.m. After that hour, there are no movies, no theater performances, and—in any event—there is

⁴ NCNA (Peking), April 10, 1975, in *SPRCP*, no. 5836 (April 22, 1975), p. 62.

⁵ See Tatsu Kambara, "The Petroleum Industry in China," *The China Quarterly*, no. 60 (December, 1974), pp. 669-719; Yuan-Li Wu, "China's Energy Program and Policies," *Current History* (July-August, 1975); *The China Quarterly*, no. 61 (March, 1975), p. 185.

⁶ Jan S. Prybyla, "*Hsia-fang: The Economics and Politics of Rustication in Communist China*," *Pacific Affairs* (Summer, 1975). See also the article by Parris Chang on pp. 85ff. of this issue.

not a single public bar. (The only "nightspots" serve foreigners and overseas Chinese in the one or two hotels reserved for them, and there is a bar for foreign sailors located on the premises of the formerly exclusive Shanghai Club—all are timid affairs serving mostly beer.)

Those unhappy deported youngsters who occasionally filter back into the cities have a hard time. They are without ration cards (which are issued by the local authorities), must rely on relatives for lodgings and food, and—in the context of the almost total social transparency typical of contemporary China—run the risk of being promptly picked up by the security forces.

At any rate, the uncontrolled growth of cities characteristic of countries at the "take-off" stage of development is not a problem in China.⁷ Chinese cities are clean, orderly, purposeful, and, from a Western perspective, dull. Those whose marginal contribution to production would have been zero or, more likely, negative if they had been allowed to remain in town, work on the soil, in rural industries, schools, and clinics, or on water conservation, land management, and afforestation projects in the countryside, often in remote and climatically inhospitable regions. Their marginal productivity in these employments, while not high, is certainly positive. Moreover, according to the regime's spokesmen, in this manner the gap between mental and physical labor and between rural and urban living standards is narrowed. The pay is modest, roughly equivalent to the earnings of the so-called poor and lower middle peasants. Under these conditions, the problem of capital formation, especially capital formation where it is needed most (the countryside), does not appear to be a problem for China. In this, as in other cases, the effectiveness of policy hinges on the combination of a nationwide directive applied by decentralized state authorities in a thousand different ways through massive group pressure at the grassroots of society.

The Chinese model, especially since the Cultural Revolution (1966–1969), has had as one of its aims the replacement of individual, competitive, material incentives to workers (in the form of money wages and bonuses) by collective, cooperative, moral incentives, and eventually, in the distant "fully Communist" future, by the socialized man's inbred compulsion to serve the community without exogenous prods of any kind ("indigenous work enthusiasm," as it is

called in the ideological scriptures). Many other societies that consider themselves to be Marxist-Leninist have had the same objective, but most of them have found the goal elusive and have settled for an indefinite continuation of a mixture of individual and collective, material and moral, competitive and cooperative incentives. (So far, the newer socialist regimes of Asia and, to an extent, Cuba appear to have compromised less than the European elders of the Marxist-Leninist confraternity, including the Soviet Union.) As an experienced (if reviled) practitioner of Marxism-Leninism in Russia put it in describing the policies of his predecessor, Stalin:

... disdaining the material needs of workers and emphasizing mainly enthusiasm and social consciousness, social and moral forms of incentives and rewards, hampered the development of production and of raising the living standards of the workers.⁸

The Chinese model rejects this construction. It emphasizes the importance and feasibility of transforming the very essence of man, as the socialist system finds him emerging from his bourgeois capitalist past, by continuous ideological education called "struggle-criticism-transformation." In the Chinese view, the societal superstructure of ideas is the crucial ingredient in the revolutionary process: change people's ideas first, and everything else will follow.

Hence the importance attached by the model to repeated "cultural revolutions" intended to extirpate old and new bourgeois survivals and sprouts in the minds of the people, including the leaders. Without the correct attitude that such cultural remodeling campaigns presumably are to bring about, technical revolutions (Marx's transformation of the "material productive forces"—the fulcrum and motor of his system) are, according to the Chinese, meaningless. A required text in Chinese economics curricula is Mao's *The Foolish Old Man Who Removed the Mountain*, a hymn to the creative power of the collective will. Clearly, the process of radically transforming the content and texture of work incentives is arduous and, despite official optimism, its outcome is still in doubt. (Recall the peasants' saying: "For food rely on the collective; for cash rely on yourself.")

However, as every historian knows, the study of

(Continued on page 102)

⁷ Judging by references in the press to peasants who drift away from their production teams in search of better-paying (part-time?) employment in nearby towns, there must be some unregulated movement of people from villages to small and medium-sized provincial towns, in line with the popular rule-of-thumb: "For food rely on the collective; for cash rely on yourself."

⁸ Nikita S. Khrushchev, "For New Victories of the World Communist Movement," *World Marxist Review*, no. 1 (1961).

Jan S. Prybyla is the author of *The Political Economy of Communist China* (New York: Intext, 1970) and of a forthcoming book on the Chinese economy. He has written extensively on China and the Soviet Union, and visited Communist China in 1974. In 1971, he was the recipient of the Lindback Award for Distinguished Teaching at The Pennsylvania State University. In 1965, he was named the University's Liberal Arts Research Scholar.

"As long as the rustication program continues, it will inevitably generate serious grievances and massive alienation in Chinese society; the advantages claimed for the program, from the point of view of the state, are precisely the factors that have generated popular discontent."

China's Rustication Movement

BY PARRIS H. CHANG*

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It is very necessary for educated young people to go to the countryside and be educated by the poor and low-middle class peasants.—Mao Tse-tung, 1968.

The rustication of young intellectuals is a reform through labor in disguise.—Lin Piao, 1971.

In the last two decades, an unprecedented large-scale enforced migration of urban youth has been going on in China, and tens of millions of young school graduates from the cities have been resettled in the rural, mountainous and remote border areas. It is impossible to say how many young people have migrated from the cities as a result of the rustication or "down to the countryside and up to the mountains" campaign. An editorial in *Chungkuo Ching-nien Pao* (China Youth Daily) on December 9, 1964, revealed that around 40 million young intellectuals (educated youths) had been rusticated; in recent years, nearly ten million young intellectuals have gone to the mountainous and other rural areas, according to the report delivered to the fourth National People's Congress (NPC) by Premier Chou En-lai in January, 1975.¹ The actual number of resettled youths since 1968, judging from China's press reports, appears to be much much larger, probably at least twice Chou's figure.²

In any case, the rustication program has touched on the lives of a very substantial number of Chinese because it involves those who have been rusticated and their families, as well as the communities to which they are sent to live and work. By and large,

China's urban exodus has been gradual, orderly and well executed; in many ways it is in sharp contrast to the recent drive in Cambodia to force city dwellers to move to the countryside. Nonetheless, it has caused widespread discontent, has aroused strong opposition and has generated adverse consequences that have plagued the Chinese polity and its leadership.

Contrary to popular belief in the West, China's youth rustication program did not begin after the Great Proletarian Cultural Revolution (GPCR) was launched; it actually began in the mid-1950's. True, the campaign to resettle the young school graduates was endorsed by Chairman Mao Tse-tung in 1968. Thereafter it was given a new impetus and was pushed with a new vigor; it has been defended in recent years as a positive legacy (or "new-born thing") of the GPCR. Nevertheless, the program existed in embryo and in limited scope in the 1950's, and the major elements of the program evolved gradually over the past two decades.

As early as 1955, graduates of secondary schools and unemployed youths in major urban centers like Peking, Shanghai and Tientsin and in several densely populated provinces were sent to Sinkiang, Inner Mongolia, Heilungkiang and other border regions for farming, land reclamation and various construction projects in what was called the "supporting-the-frontier" campaign. In subsequent years, more school graduates who had no opportunities for higher education or for employment in the cities were sent to rural areas to engage in agricultural production. In 1957, approximately eight million urban youths were reported to be working in the rural areas or in the border regions. The migration to the rural areas was given a strong push in the early 1960's, in the wake of the severe food shortages caused by the disastrous failures of the Great Leap Forward and the communization campaigns, when the Chinese leadership asked the whole people and the whole nation to go all out to produce food grains and promote agricultural undertakings. Consequently, youths from

* For invaluable assistance in preparing this manuscript, I wish to thank Kathleen Shelton, a student specializing in East Asian affairs.

¹ *Peking Review*, no. 4, January 24, 1975, p. 21.

² In the first half of 1973, 14 of the 29 provinces and municipalities released a round figure of youths rusticated during 1968-1972, and they already amounted to nearly eight million people. See *China News Summary*, no. 476, July 19, 1973. The total figure for the 29 units since 1968 and through 1975 may add up to 20 million or more.

all walks of life, mobilized to "support agriculture," were transferred to rural areas.

Initially, the transfer of urban youths to the border regions and to the rural areas was probably regarded as a temporary measure, an improvisation by the authorities to cope with some short-term, urgent needs (i.e., the agricultural crisis). As time went on, some top officials advocated the rustication program as an effective way to solve the problems of overpopulation and youth unemployment in the cities. For example, T'an Chen-lin, a Vice-Premier and China's top agricultural official prior to the GPCR, allegedly stated in a "Symposium on Resettlement" on August 25, 1964:

In the Third Five-Year Plan period (1963-1967), only five million persons will be needed for urban industries, and six million persons will be unemployed. This is why we have to resettle them [in the countryside].³

By the mid-1960's, the rustication program had gradually been institutionalized and was implemented on a nationwide basis, involving more and more educated youths. By December, 1964, some 40 million young people had been resettled in the rural areas and border regions.

During 1966-1967, at the height of the GPCR, the rustication program was in abeyance, and many rusticated young people trekked back to the cities under the pretext of taking part in the GPCR. Many disgruntled youths joined Red Guard groups or formed their own "rebel" organizations. Blaming the rustication program on the disgraced Liu Shao-ch'i* and other "capitalist power-holders" in the Chinese Communist party (CCP), they pressed a wide range of demands in an effort to do away with the "unreasonable system" and to redress their practical, socio-economic grievances, although their demands were

* The former Chairman of the Republic, dismissed in 1968.

³ *Chih Nung Hung-ch'i* (Support-Agriculture Red Flag) (Liwan: Editorial Department of the Liwan General Headquarters, Rusticated Red Youth Joint Headquarters), no. 3, November 1, 1967.

⁴ Prior to the GPCR, every year approximately two million students were graduated from the secondary schools, but only 200,000 of them were admitted into colleges and universities. See *Kuang-ming Jih-pao*, August 20, 1964. All the institutions of higher learning were closed during 1966-1969 and did not enroll new students; after reopening in 1970, they drastically cut their enrollment, taking in some 200,000 in 1970-1972, and admitting 153,000 new students in one year in 1973.

⁵ It is estimated that in 1965 about 57-59 percent of the Chinese population was under 25. See John S. Aird, "Population Growth and Distribution in Mainland China," in Joint Economic Committee, Congress of the United States, *An Economic Profile of Mainland China*, vol. 2 (Washington, D.C.: Government Printing Office, 1969), pp. 364-365. The relative youth of the population, while having some advantages, entails one major problem: entrants to the labor force are so huge each year that most of them cannot be absorbed into useful work.

⁶ *Chih Nung Hung-ch'i*, no. 3, November 1, 1967.

invariably stated in orthodox fashion, replete with Maoist phrases and slogans. However, Mao had no quarrel with Liu Shao-ch'i on the rustication program; hence those who left their resettled areas were returned to their posts to "make revolution" there.

After the fall of 1968, the rustication program was revived and expanded. The unlimited license taken by the Red Guards proved too much for China's conservative, law-and-order-conscious military men; even Mao, who initially put his imprimatur on the Red Guard movement, was disillusioned with the vacillation, the lack of discipline and the constant, factional infighting of his young supporters. Consequently, millions of former Red Guards were packed away to the rural areas, to mountainous and frontier regions to receive "reeducation from the poor and lower-middle class peasants." Before the GPCR, the rusticated youths in most cases stayed three to five years in the rural areas; since 1968, for most urban youths the resettlement has become permanent.

In addition, the post-GPCR rustication program has two other new features. It is integrated with the university education system; high school graduates who aspire to go to colleges and universities must first fulfill the requirement of two to three years of physical labor in rural areas before they are allowed to apply for admission. And for those graduates who are not assigned job slots in the cities and factories, going "up to the mountains or down to the countryside" has become compulsory at least in practice.

MOTIVATION

Several major considerations affect the rustication program. The primary consideration, which the Chinese authorities do not advertise openly, is economic, i.e., the program solves the unemployment problem. Every year, several million students graduate from secondary schools, but most are unable to go on to higher education, because facilities in the institutions of higher learning are limited.⁴ Although the industrial sector of the Chinese economy has expanded considerably since 1949, it can only absorb a small portion of the large labor force entering the job market each year.⁵ Hence the threat of unemployment.

Chinese officials are aware of the problem and regard the urban exodus to the rural areas as the only solution. Wang Wei, who was formerly a secretary of the Chinese Communist Youth League and a deputy chief of the "Resettlement Leadership Group" under the Central Committee of the CCP, is quoted to have said:

The main way to handle the urban youths is to gradually organize them and mobilize all resources for agricultural production. For many years to come, the main road for youths' employment is the countryside.⁶

Another major reason for the rustication program is the desire to alleviate the pressure of overpopulation in the cities. Since the 1950's, the Chinese authorities have persistently attempted to stem the growth of urban population by discouraging rural-city migration and by shifting surplus population from the cities. In the fall of 1955, for example, half a million peasants who had moved to the cities were forced to return to the countryside. Starting in 1957, in addition to the peasants who had been lured to the cities, a large number of school graduates as well as superfluous cadres in government agencies were transferred downward to the rural areas to take part in productive labor (in the name of simplification of the administrative structure). The urban exodus was accelerated in 1961-1962, as the regime organized tens of millions of youths, government workers and other city dwellers to promote agricultural production in the wake of the severe setback in the Great Leap and commune programs. Indeed, a large reduction of the urban population was listed among ten "urgent tasks" in economic readjustment, in a government report to the National People's Congress in April, 1962.⁷ Po I-po, formerly Vice-Premier and chairman of the State Economic Commission, told Anna Louise Strong in an interview in December, 1963, that the leadership intended to reduce China's urban population by 20 million persons to a total of 110 million.⁸ The resettlement of urban youths is thus closely related to the policy of reducing population in the cities.

Another motive in the transfer of educated urban youths to live and work in the rural areas since 1968 is to clear the cities of the riotous Red Guards and their factional fighting and to punish these rebels. As mentioned before, Mao himself was disappointed in the Red Guards and the intellectuals as instruments of his revolutionary crusade and handed the baton over to "the working class." Consequently, the youths have been removed from the cities, often to such remote areas as Sinkiang and Yunnan, and told to settle there for life.

While these economic and political motives are real and paramount, they are rarely stated openly; instead, Chinese authorities have invariably justified the rustication program on normative and ideological grounds. A commentary of *China Youth Daily* (November 24, 1964) asserted, for example, that:

not a few students were brought up in the families of the exploiting classes; they must meticulously take part in labor to get thoroughly remolded and to acquire a proletarian world outlook.

Stressing and expanding the same theme, a lead article in the third issue of *Red Flag* in 1968 blamed Liu Shao-ch'i's erroneous revisionist education line for fostering a bourgeois ideology and prescribed integration for intellectuals with workers, peasants and soldiers as the basic remedy for reeducation.⁹ In addition, the resettlement of urban educated youths is frequently hailed as a strategic measure to bridge the gaps in "three differences" (i.e., differences between the workers and the peasants, the city and the countryside, mental and physical labor) and to cultivate and train proletarian revolutionary successors.¹⁰

ACHIEVEMENTS AND PROBLEMS

Without question, the rustication program has accomplished some leadership goals and has produced positive results. It has certainly helped to reduce unemployment in the cities and to stabilize the urban population. Without such a measure, the already overpopulated cities would have become more so; their facilities would have been taxed beyond their present capacity, and they would be crowded with jobless, restive youths bound to create severe law-and-order problems for the authorities. By shifting tens of millions of urban youths to the rural areas, the regime has also economized on the enormous cost and effort involved in transporting food and goods and providing other services to the cities.

In many ways, the rural areas may have benefited from the transfer of human resources. Many rusticated are known to have served as accountants and leaders of the production teams, and have filled various cadre positions in the commune hierarchy, strengthening leadership in the countryside. Working concurrently as barefoot doctors in the communes, these young people also give the peasants valuable, albeit elementary, health care services that were not previously available. In addition to disseminating scientific knowledge, teaching and popularizing new farming methods and improving agricultural techniques, urban intellectuals are also staffing night schools and sponsoring other educational and cultural activities in the rural areas. The following account by a rusticated school graduate in Touchiachiau Production Brigade, Paoting county of Hopei province, is a good example:

In the past several years, I have worked together with the resettled educated youths. During the non-labor hours, we administered people's schools, published wall papers, and wrote histories of the villages, families, the struggle between the two roads and two lines in our village. . . . We are also engaged in agricultural scientific experiments. All of these have been warmly welcomed

⁷ *New China News Agency* (NCNA), April 6, 1962, in *Current Background* (Hong Kong: American Consulate-general), no. 681, April 18, 1962, p. 2.

⁸ Anna Louise Strong, *Letters From China* (Peking: New World Press, 1964), letter no. 13.

⁹ "On the Re-education of Intellectuals," *Red Flag*, no. 3, September 25, 1968.

¹⁰ See, for example, "To Grasp Well the Resettlement of Educated Youths," editorial, *People's Daily*, July 9, 1970.

by the poor and lower-middle class peasants. . . . We, the sent-down youths, the cadres and the old and poor peasants of the brigade, formed a "three-in-one combination" scientific experiment group to study how to thoroughly remedy the alkaline soil. After three years of hard work, we produced for the first time 500 catties of corn per mou on the alkaline soil. We have also been successful in experimenting with a reasonably dense planting, improvement of seeds and the methods of sowing. Our cultural knowledge has been a great help in the struggle for changing Touchiachiau.¹¹

We need not take these details and similar accounts at face value; nevertheless, they suggest the potentially useful role the rusticated urban youths can play and the significant contribution they can make toward the modernization and transformation of China's countryside in the long run.¹²

On the other hand, the rustication program has created many thorny problems. It has not solved the problems of unemployment, overpopulation and food supply in the society; it has only passed the burdens to the rural areas. More than a few rural communities have become overpopulated because of the large intake of urban immigrants. Most urban youths do not make good farmers, and they are hardly welcomed by the communes, many of which are also short of arable land. Thus conflict frequently arises between the peasants and the resettled youths not only because of a difference in working ability but also because of different educational levels, life habits and attitudes toward life.

Seeing no future in their role as lifelong peasants, numerous resettled youths have fled from the countryside and have returned without permission to the cities. Although Chinese authorities blame wicked class enemies for inciting the rusticated youths to abandon the revolutionary endeavor in the rural areas,¹³ in many cases their desertions have been allowed if not encouraged by commune officials who regard the urban youths as "extra burdens" to feed and accommodate. Without money or the coupons to purchase the basic means of sustenance in the

cities, the returned youths live on food obtained from the black market or their parents, or resort to theft, robbery and other crimes. The increase in street crime in Peking and in other cities in recent years (which has necessitated the patrol of neighborhoods by militia units day and night and the launching of a poster campaign urging public support for the fight against "hooliganism" and class enemies)¹⁴ is most likely related to these destitute deserters' desperate struggle for survival, and is not the 'handiwork of class' enemies, as the Chinese press has alleged.

Despite the regime's exhortation that to work in rural areas is a "glorious" undertaking for young intellectuals, they tend to see it as a dead end in their lives. Frequent references in the Chinese media to the erroneous idea that "it is a loss to go to the countryside" speaks for itself. There is widespread discontent among rusticated youths, who understandably harbor severe grievances. Unable to find jobs in the cities or to pursue higher education, their frustration is compounded by the hardships and harsh life in rugged frontier and mountainous regions and by the unfriendly if not altogether hostile treatment of the communities to which they are sent. The severe charge made by Lin Piao (until his demise in 1971 Mao's designated heir) that "the rustication of young intellectuals is a reform through labor in disguise" has the ring of truth.

RECENT PALLIATIVE MEASURES

Lin Piao's charge against the regime's rustication program struck many popular responsive chords and generated political opposition against the program. Thus, the regime has felt compelled to repudiate Lin's "slander" vehemently and to reaffirm the legitimacy and correctness of the program emphatically during the recent campaign against Lin Piao and Confucius.

In spite of this campaign, since 1974, the regime has introduced several measures designed to placate the rusticated youths and to meet some of their needs. Notably, increased rations, workpoints and wages, and better living conditions have been provided. In an effort to give the rusticated young people political incentives, they have been admitted into the Chinese Communist Youth League or the party in large numbers.¹⁵ To minimize friction between the youths and the peasants, the youths are now resettled as a rule in groups in "youth points" (where they form their own production teams) in the communes and on various types of state farms, rather than being "inserted" individually into peasants teams as was previously the case. To assure better care and, undoubtedly, to exercise tighter control over the youths, cadres from higher levels are transferred to the rural areas on a temporary and rotation basis to take part in productive labor with them.¹⁶

¹¹ NCNA, June 3, 1969, in Wang Ho, "A Review of the Maoist Sending Down of Intellectual Youths," *Issues and Studies*, vol. 8, no. 3, December, 1971, pp. 49-50.

¹² This point is stressed and elaborated in Pi-chao Chen, "Overurbanization, Rustication of Urban-Educated Youths and Politics of Rural Transformation," *Comparative Politics*, vol. 4, no. 3 (April, 1972), pp. 361-386.

¹³ For instance, *Chengchow Radio*, April 18, 1974.

¹⁴ See, for example, a news dispatch from Peking by John Burns, the correspondent for the *Toronto Globe and Mail*, carried in *The New York Times*, January 11, 1973.

¹⁵ According to a NCNA news release on December 22, 1973, up to the winter of 1973, 60,000 rusticated youths had been admitted into the CCP, 830,000 into the league, and 240,000 had been promoted to the leadership groups at various levels. Cited in *Chung-kung Yen-chiu* (Studies on Chinese Communism), vol. 8, no. 6, June, 1974, p. 34.

¹⁶ *Wuhan Radio*, July 29, 1974, and *Chengtu Radio*, July 20, 1974.

A further notable feature is the emphasis on sending down the children of senior cadres,¹⁷ obviously to set an example to the public. It is no secret in China that senior cadres have often resorted to "taking the back door" (i.e., to using influence to acquire special privileges in violation of regulations) to exempt their children from resettlement (or to shorten their tours of duty) and get them into the universities. This widespread practice on the part of the privileged minority has further demoralized and alienated millions of hapless young people toiling in the countryside, prompting the party leadership to crack down on the abuse. As a result of the drive against the tendency of "taking the back door," a number of students who entered the colleges through the "back door" have "voluntarily" withdrawn and have rejoined the ranks of the rusticated youths.

Chung Chih-min, a sophomore political science student at Nanking University, was one of them. A graduate from a junior high school in Nanchang (the capital city of Kiangsi province) in 1968, initially Chung also lived and worked on a farm, like most other youths of his age. However, Chung was fortunate, for his father, Chung Hsueh-lin, is a leading cadre of the Political Department of the Foochow Military Region and was able to exert influence to assure him a better deal. Thus, to the envy of many young people in China, Chung Chih-min left the rigorous life behind him after only three months and enlisted himself in the army in 1969; he got himself into Nanking University through the "back door" in 1972 after his father "telephoned the departments concerned." Realizing that the practice of "taking the back door" is incompatible with the party's principles, Chung subsequently decided to leave the university and to "integrate himself with the workers and peasants." Chung's "revolutionary spirit" has been widely publicized and he has been held up as a model in China's media since January, 1974.¹⁸

In recent months, the Chinese leadership has further extended the rustication program to cover demobilized soldiers. Previously, after four to six years' service, soldiers were permitted to settle and find employment in urban areas, regardless of their origins—a special privilege accorded to members of the People's Liberation Army. Since the spring of 1975, this privilege appears to have been revoked; no matter where they came from originally, the demobilized soldiers have been asked to settle and work in rural areas. The shift was revealed in a *Red Flag* article in April, 1975, which urged discharged soldiers to forego the relative comfort of city life and to join the revolutionary struggle in the countryside to eliminate the "three differences," in compliance with the line

and policies formulated by Chairman Mao Tse-tung and the party.

PERSISTENT RESISTANCE AND OPPOSITION

In spite of these palliative measures and greater efforts to persuade parents to send their children to the rural areas, resistance and opposition to the rustication program has persisted, judging from press reports in China. For example, according to a May 4, 1975, article in the *People's Daily* written by Hsing Yen-tsu, a model rusticated girl who is now a member of the CCP Center Committee and a secretary of the CCP Tientsin Committee, many youths have found ways to evade rustication or to cut short their tour of duty, and they are admired by others as "resourceful." This so-called "resourcefulness" reflects the bourgeois ideology, Hsing charged.

For those who are not "resourceful," rustication is a life-term "reform through labor." Alienated, disillusioned resettled youths in Kwangtung have seen escape as a feasible and tempting alternative; from Kwangtung's coastal counties tens of thousands of them have in fact made their way to Hong Kong since 1968. However, for millions of disgruntled youths in China's vast hinterland and other remote regions, no such opportunity to escape exists. Thus their frustration is perhaps deeper and their resentment is stronger; they seem to be more susceptible to radical political appeals and more inclined to seek change in the status quo through violence. This may at least partly explain why many rusticated youths actively participated in the GPCR seeking to topple the political and social order from which they were alienated and why they were the most militant, iconoclastic and antiestablishmentarian among the Red Guard and "rebel" groups.

As long as the rustication program continues, it will inevitably generate serious grievances and massive alienation in Chinese society; the advantages claimed for the program, from the point of view of the state, are precisely the factors that have generated popular discontent. Unless the Chinese leadership is willing and able to redress the grievances and to accommodate the aspirations of the rusticated youths, they are likely to support attempts drastically to change the political and social order just as they did during the GPCR, and politicians may exploit and manipulate their grievances for their own purposes. Thus, dissatisfied rusticated youths are one potential source of explosive popular unrest and political opposition. ■

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¹⁷ *Hangchow Radio*, May 5, 1974.

¹⁸ *People's Daily*, January 18, 1974.

"So far, Taiwan has managed to survive and prosper in spite of her expulsion from the United Nations and the diplomatic desertion of erstwhile friends and allies. . . . As long as most nations adhere to the present policy of recognizing one China in principle and dealing with two Chinese governments in practice, Taiwan will probably continue to be a stable and prosperous country where 16 million people live in peace and relative contentment."

Taiwan After Chiang Kai-shek

BY THEODORE HSI-EN CHEN

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IF CHIANG KAI-SHEK had died when Franklin D. Roosevelt did, he would have been honored and remembered as one of the undaunted Allied leaders of World War II. He kept China at war for eight years, steadfastly rejecting all proposals for a compromise peace with Japan and sustaining China's millions in the faith that "final victory will be ours." He would have tasted the fruits of victory untainted by the disastrous events of the postwar years. He would have been spared the heartache of seeing his government lose ground steadily and helplessly until its retreat to the island of Taiwan.

There is a Chinese saying that the final verdict on a person must wait until the coffin is covered—*kai kuan lun ting*. The role of Chiang Kai-shek in modern China will long remain a subject of debate that arouses strong emotions, but the reactions of the people to his death may direct attention to some facets of the Chinese scene that heretofore have been given scant notice. The millions of people who stood in lines to view his body lying in state, waiting as long as an entire day and even overnight, and the additional millions who lined the streets of Taipei and tearfully bowed to the hearse in the funeral procession were not there in response to a government order or any form of external pressure. Their mourning was not ritualistic or perfunctory. They expressed deep and spontaneous emotions that were astonishing in their intensity and sincerity. They seemed to have forgotten Chiang's shortcomings and remembered him as a man who had fought a valiant battle and brought prosperity to Taiwan.

At this time, however, the world is more interested in the future of Taiwan. Will the transition of authority cause difficulties? Will there be any change in basic policies? In other words, what next in Taiwan?

Three months after Chiang's death, it may be observed that the transfer of authority has taken place with remarkable smoothness. Within twelve hours, Vice President Yen Chia-kan was sworn in as President, according to the provision of the constitution. Chiang Ching-kuo, Chiang's eldest son, continues to serve as Premier, and no reshuffle of his Cabinet has occurred. The transition took place quickly and smoothly. Stability was not jeopardized. The stock market and the prices of goods remained stable.

President Yen is eminently qualified to succeed Chiang as President. He has served with distinction as Vice President, as Premier and, in earlier years, as a highly respected expert in economic and financial affairs. Through the years, he has won admiration and respect as an unassuming man of scholarly attainments who is versed in classical Chinese traditions, a gentleman by all standards, and a practical man of action not particularly interested in political power. He is at home in Western as well as Chinese culture. He has a broad knowledge and a sound understanding of world affairs and an excellent command of English. With his ascension to the presidency, constitutional continuity was maintained.

Chiang Ching-kuo, who was appointed as Premier in 1972, has proved to be capable. Before he assumed office he was not readily accepted by some of the Kuomintang (Nationalist party) old guard. Observers also entertained doubts about his capacity for top-level leadership. Since he became Premier, young Chiang has issued directives urging government officials to listen to the people's views. He makes periodic "administrative reports," addressed to the people at large, "to inform them of what their government is doing" and to bring the government closer to them. He has adopted stern measures to combat corruption and to enforce austerity and frugality on the part of

government officials. Some observers have criticized him for attempting to do too much and paying too much attention to trivial matters, but most people agree that as Premier he has been more effective than they dared to expect a few years ago.

THE INTELLECTUALS

A major reason for Taiwan's prosperity is the service of personnel with a knowledge of modern know-how in agricultural betterment, industrial growth, financial management, and economic, social and educational development. China does not lack competent nation-builders conversant with modern ways and techniques, but such well-educated and well-trained people have too often been denied the opportunity to make contributions to the best of their ability. Political stability in Taiwan has encouraged the intellectuals to offer themselves for public service, and they have proved their aptitude and competence in the economic, social, and educational achievements of recent years.

The eight ministries under the Executive Yuan are currently headed by persons of professional training. Three of them were educated in American universities, one in Cambridge University, three in Japanese universities, and one had training experience in the United States.

The expulsion of the Republic of China on Taiwan from the United Nations in 1971 was a serious blow, politically and psychologically. Confidence and morale were soon regained, and the nation-builders on Taiwan proceeded to work for even greater prosperity and economic advance. Despite political handicaps, Taiwan won recognition as a success story of the effective utilization of foreign aid (from the United States). An independent and prosperous economy made possible a rising standard of living and the multiple benefits of modernization.

In a sense, the death of Chiang Kai-shek did not cause as much foreboding as Taiwan's loss of her United Nations seat. There was at that time far more uncertainty with regard to Taiwan's future. Since then, the people of Taiwan have gained greater confidence in themselves and in their ability to overcome difficulties. Newspaper editorials join the declarations of government leaders and the resolutions of student groups and civic organizations calling for a firm determination to complete unfinished tasks and continue the "march toward revolutionary goals" in accordance with the will of the departed President. Now that the mourning is over, the tasks of construction and reconstruction must go on.

TEN BIG PROJECTS

Confronted with a world situation that is not likely to turn in her favor, Taiwan will place a heavy accent on internal consolidation and on the further strength-

ening of her economy and her construction program. The stability of the currency is an index to financial soundness, and every effort will be made to maintain it. The magnitude of the construction program is in part indicated by the "Ten Big Projects" that the government has announced as specific goals for the coming decade. Among them are a North-South Expressway, an East-West railway, a new international airport, new port facilities, an expanded shipyard, a steel mill, a petrochemical complex, and three nuclear plants. Some projects are well under way and construction will doubtless proceed without interruption. The second phase of the N-S Expressway is being completed and construction will soon begin on the third phase. The project will be completed by the end of 1978, and the total cost will run well over U.S. \$1 billion. The highway will reduce travel time from the southern port of Kaohsiung to Taipei in the north from eight to four hours.

Most projects will be completed before 1980. The equivalent of approximately U.S. \$8 billion has been budgeted for them in the next few years. It is hoped that the construction projects will increase per capita income from the present U.S. \$700 to around U.S. \$1,000 by 1980. Foreign aid is not sought, but foreign loans and foreign investments will play a role. A contract has been signed for U.S.S. Engineers and Consultants, Inc., a subsidiary of United States Steel, to provide \$18 million worth of technical services, and, according to a news dispatch in May, 1975, Westinghouse has signed a contract to supply two nuclear reactors to the Taiwan Power Company.

RURAL ECONOMY

Industrialization and urbanization have progressed so rapidly that the rural economy has lagged behind and the livelihood of the rural population has failed to keep abreast of the rising standard of living in the urban areas. A number of factors have contributed to agricultural decline. Rural migration to find work in the factories caused a farm labor shortage. Rising wages and the high cost of fertilizers entailed a higher cost of agricultural production and a lower agricultural income. Moreover, the land reform of the 1950's that divided the landlords' estates into small plots to be owned by the tillers resulted in small farms that militate against the use of machinery.

To correct this situation, the government launched a program to stimulate agricultural production and to improve the livelihood of the rural population. The program sought to stabilize prices, to reduce taxes and provide farming loans, to make fertilizers available at reasonable cost, to promote scientific methods of improving crops, to introduce mechanization, and to build roads, drainage and irrigation systems. Simple machinery has been made available to landowners, who are encouraged to try joint farming manage-

ment in order to overcome the limitations of small independent plots. By planning production and guaranteeing stable prices, the program makes farming more rewarding; it has effectively increased agricultural production.

The equivalent of U.S. \$50 million was appropriated for the program in 1973-1974. The response was encouraging; rice production rose by about 12.5 percent. During the industrial recession that Taiwan shared with the rest of the world because of the energy crisis, rural youths by the thousands returned to the farms, giving a boost to agricultural production. An additional appropriation of U.S. \$12.5 million was provided for the first six months of 1975, and, to insure the continuation of the program, another \$50 million has been provided for the period from July, 1975, through June, 1976. The government intends to narrow the gap between the rural and the urban economy so that the entire population shares the benefits of the increasing prosperity brought by the steady advance to a higher stage of economic and industrial development.

EXTERNAL RELATIONS

The management of external affairs presents greater difficulties than domestic development. More and more nations have established diplomatic ties with the People's Republic of China and have severed diplomatic relations with Taiwan. In meeting this unhappy situation, the Nationalist government has sought, with considerable success, to develop new channels of contact with many nations. Among the new forms of what may be called "non-diplomatic" relations are an increasing volume of active foreign trade, educational and cultural exchange, and the offer of technical aid to developing nations. Students from Taiwan still go abroad to study and students from other countries are encouraged to study in Taiwan's schools and universities. Chinese experts from Taiwan in agriculture and in industrial development have rendered successful service to countries in Southeast Asia, Africa, Latin America, and the Middle East. Tourism is growing as another link with the outside world.

Maintaining formal diplomatic relations with no more than 25 countries, Taiwan still maintains trade missions and offices in more than 130 countries and territories. The development of trade relations in the absence of diplomatic ties is an interesting story. For example, since the severance of diplomatic relations with Canada, Taiwan's trade with Canada has consistently increased from year to year; it doubled between 1970 and 1974, and the trend continues. Likewise, the diplomatic break with Japan was followed by a rapid increase of trade volume, which doubled from 1972 to 1974. Not to be overlooked is the fact that United States trade with Taiwan

jumped from \$1.5 billion to \$3.7 billion in the three years after the beginning of United States trade with Mainland China.

The termination of diplomatic relations between Taiwan and the Philippines was a disappointment to Taiwan but within two weeks after the diplomatic break, the Philippine ambassador returned to Taiwan to sign a trade agreement. This provided for the opening of three Philippine trade offices in Taiwan, and, reciprocally, for similar trade offices in Manila for Taiwan. As a matter of fact, the Philippine Far East Trade Promotion Center in Taipei has an even larger staff than the former embassy. A similar pattern of "non-government relations" is being developed between Thailand and Taiwan; in bidding farewell to the Chinese ambassador returning to Taiwan, high officials from the Thai government have made a point of expressing their desire to maintain friendly relations with Taiwan, especially in trade, communication and cultural affairs.

Taiwan has trade representatives in Britain, Belgium, West Germany, and France. Without diplomatic relations, trade between Taiwan and the Common Market countries has been steadily increasing. This has encouraged government leaders in Taiwan to make a greater effort to expand the non-diplomatic relations and has led them to believe that the severance of diplomatic relations does not necessarily mean their isolation from the international community.

THE POLITICAL SCENE

The present political leadership vows to carry out Chiang Kai-shek's basic policies. Nevertheless, the political scene is undergoing an observable change. The personal style of Chiang's successors is different from Chiang's. His successors tend to be more flexible in the execution of policies; they are more approachable and more open to direct personal contact with the people. Youthful energy contrasts with the restraint and relative conservatism of age.

A week before his death, Chiang Kai-shek dictated a will that is as concise as the honored will of Sun Yat-sen. Calling himself a disciple of Jesus Christ and Sun Yat-sen, he stressed the importance of "recovery of the mainland, the rebirth of our cultural heritage, and adherence to democracy." Although no political leader in Taiwan will officially abandon the aim of recovering the mainland, one hears little now of a military return to the mainland; there is a greater emphasis on the consolidation and further strengthening of the bastion of Taiwan. Military defense is given a high priority, but there seems to be a growing recognition that construction and the improvement of living standards afford the best means of attaining the goals of the Generalissimo.

The preservation of the "cultural heritage" and the

basic ethical values of the Chinese way of life are stressed. True, social and cultural changes are inevitable in the face of advancing industrialization and urbanization and the general impact of modernization. But in Taiwan, traditional values are still cherished. Chiang Ching-kuo's month-long mourning for his father followed essentially the old Chinese tradition. The respect he has accorded to the widowed Madame Chiang Kai-shek may be regarded as a conscious effort to strengthen the image of a filial son and to perpetuate the basic ethical values of the Chinese family system. Meanwhile, the Movement for Cultural Renaissance carries on its work under the leadership of President Yen Chia-kan, and its monthly journal publishes articles on various aspects of traditional Chinese culture.

MARTIAL LAW

The meaning of "democracy" is not easy to define in the context of Taiwan's political existence. From the American point of view, Taiwan's verbal commitment to democracy is severely weakened by the Kuomintang's monopoly of power and the suppression of dissent. These aspects of political life are not likely to undergo fundamental change. Taiwan is not a democracy in the American sense. The Kuomintang controls the government and for some time to come no effective opposition party is likely to emerge to challenge its authority. Dissent and freedom of speech have been curtailed by martial law, which was instituted in 1949 in order to protect Taiwan from Communist subversion and infiltration. Martial law has imposed strict control over arrivals and departures and has required entry and exit permits granted after careful investigation. Persons suspected of anti-government activities and views are subject to arrest and detention. Moreover, the Government Information Office is authorized to inspect all incoming newspapers, periodicals, and all publications to prohibit the distribution of materials contrary to the provisions of martial law.

In recent years, increasing stability and security have led to some relaxation of control. The issuance of entry and exit permits has been liberalized. Nevertheless, martial law remains in effect and is not likely to be repealed. As is the case in other countries facing the threat of internal rebellion or infiltration from abroad, democratic rights and freedom are subject to the restrictive requirements of security. On balance, however, it seems fair to say that, granted the restrictions imposed by security and the excesses in the curtailment of rights and freedoms, there is more room in Taiwan for private effort, individual choice, and the expression of personal views than there is in other countries where state control is more thorough and complete.

Thus, there are areas in which the people pursue

their chosen way of life without government interference. Criticism of government policies is often heard in the home, in gatherings of friends, even by government officials in private conversations. In general, morale is high because people at large feel that they live fairly well in an economy of growing affluence. Public health has improved and progress has been made in the control of disease. Television, radios, motorcycles, refrigerators, and telephones are now part of daily life for most people, even in rural areas. Leisure is spent in outings, in recreation parks and theaters, at sport events, concerts and museums. People are well fed and clothed. Differences in wealth and income have been reduced; according to income tax reports, the difference between the highest 20 percent and the lowest 20 percent of family income dropped from 15 times in 1952 to 4.6 times in 1972. The result is a rising middle class that is sharing all the benefits of economic advance and modernization.

Plunging into his work with ebullient enthusiasm, Premier Chiang Ching-kuo is in effect a new phenomenon in political life. He spends weekends traveling the length and breadth of the island. He doffs his jacket and necktie and appears in a sport shirt on construction sites and in conferences, where he is the only person not formally attired. He joins in folk dancing and enjoys hasty bites at snack stands with the common people. If his purpose is to break down the reserve characteristic of high officials, he has been successful. In the appointment of personnel, he gives preference to young people and to native Taiwanese. In time, such innovations will produce a new look in politics.

THE TAIWANESE

Relations between the Taiwanese (Chinese who have lived on the island for generations) and those who came to Taiwan after World War II has greatly improved. The earlier tensions are subsiding, although some degree of provincialism must still be expected. The call for an independent Taiwan governed by the Taiwanese seems to be losing its appeal, because most of the people are content. They enjoy a higher standard of living than ever before. Their children enjoy the benefits of universal education and higher education and a variety of vocational and technical schools. The Taiwanese have the opportunity to increase their participation in political life and to acquire political power on local and provincial levels where their votes carry weight in elections. The new policy of appointing talented Taiwanese to

(Continued on page 99)

Theodore H. E. Chen is the author of eight books; his latest is *The Maoist Educational Revolution* (New York: Praeger, 1974).

"Women have not won equality of opportunity in the affairs of rural society [in China]. But inasmuch as they can rise in it, at least they have more opportunity, and can continue the struggle."

Women in the Countryside of China*

BY DELIA DAVIN

Lecturer in Social and Economic History, York University (England)

ONE OF THE GREATEST social achievements of the Chinese Communist party has been the change brought about in the lives of Chinese women since 1949. Indeed, women have always had a special place in party policy because they are considered to have been subjected to a special kind of oppression—both within the family and within society as a whole. This idea of the special oppression of women is to be found in classical Marxism. Engels observed that the husband's obligation to earn a living and support his family gives him a position of supremacy so that "within the family he is the bourgeois and the wife represents the proletariat."¹ And Mao Tse-tung, writing of China in 1927, put it like this:

A man in China is usually subject to the domination of three systems of authority (political authority, clan authority, and religious authority). . . . As for women, in addition to being dominated by these three systems of authority, they are also dominated by men (the authority of the husband).²

By the time of Liberation the position of urban women in China, though still in many respects unsatisfactory, was certainly in flux. The countryside, by contrast, presents a more static picture. Such Kuomintang legislation as might have been expected to affect women, notably the marriage law and the

law on equal inheritance, was not only unheeded, but in rural areas was even largely unknown. Women were still regarded and treated as inferior. In theory they still owed obedience to their fathers until marriage and to their husbands ever after, and in practice they had a very subservient position all their lives unless they achieved a prestigious old age by raising at least one son to adulthood. In the long years of war before Liberation, women in many areas stricken by famine had lost even the limited security that had been afforded them in normal times. The sale of girl children had always been a possible solution for impoverished families, but these grim times saw adult women change hands, sometimes sold by their starving husbands. Such cases, an exceptional but nonetheless real part of twentieth-century experience, have not been allowed to drop out of the public consciousness. These stories, kept alive by the media along with tales of women's sufferings under the old marriage system, have proved a great stimulus to women's struggles.

Practical policies to deal with the special situation of women were first applied in the early days of the Kiangsi Soviet. Over the next twenty years these policies underwent considerable development and refinement.³ By 1949, when the Communists faced the task of administering the whole of mainland China, they had long experience of mobilizing people for social revolution and moderating their ideas of what should be to what the economic, social, and political situation made possible.

LAND REFORM

Except in the older Liberated Areas, where great advances toward equality had already been made, the real revolution in the position of women in rural China began with land reform. The start of land reform in a village was marked by the arrival of the land-reform team. The team's first task was to find out as much as possible about the villagers by observ-

* Excerpted from a chapter by Delia Davin, "Women in the Countryside of China," in Margery Wolf and Roxane Witke, eds., *Women in Chinese Society* (Stanford, Calif.: Stanford University Press, 1975), with the permission of the publishers. © 1975, by the Board of Trustees of the Leland Stanford Junior University.

¹ Frederick Engels, *The Origin of the Family, Private Property, and the State* (New York: International Publishing Company, 1972), p. 137.

² Mao Tse-tung, "Report on an Investigation of the Peasant Movement in Hunan" (March, 1927), as quoted in *Quotations from Chairman Mao Tse-tung* (Peking, 1972).

³ Delia Davin, "Women in the Liberated Areas," in Marilyn B. Young, ed., *Women in China: Studies in Social Change and Feminism* (Ann Arbor, Mich., 1973).

ing how they lived, by eating and working with the peasants, and by talking with everyone. Frequently the team included a woman whose independence served as a example to the village women. Even if the team consisted only of men, their willingness to listen to the opinions of village women and the respect they showed them began the long task of undermining the general contempt with which women had been regarded.

During land reform women were most active in those villages where many of the men were away fighting in either the Civil War or, later, the Korean War, yet they played their part in other villages, too. The Peasant Associations, through which the movement was run, were expected to have a minimum of 30-40 percent women members.⁴ They had also to found either a Women's Department or a village branch of the Women's Federation. Women who spoke out at the fierce meetings that accompanied land reform could not but be affected by the experience. Having taken part in public life, learned to express opinions and to argue in front of crowds, and been stirred by the heady feeling of controlling their own destinies, they were not likely to settle back docilely into their former lives. Now when they saw a way of improving their lot, they might muster the courage to try to carry it out, even if it meant facing bitter opposition. Once they received land they could use it as a bargaining counter, and could threaten to leave with their title deeds when their treatment in the family was unbearable.⁵

Producer cooperatives existed on a small scale even in the pre-1949 Liberated Areas, but their main development came in two stages in the 1950's. In the first stage several mutual-aid teams pooled their land, tools, animals, and labor, and the unit so formed came under unified management. The income of these cooperatives was divided partly on the basis of the work performed by members, but partly on the ownership of the means of production, which continued to be vested in individual peasants. These cooperatives were therefore considered "semi-socialist." Full socialization came in 1955-56, the period dubbed the "High Tide of Socialism," when all over the country low-level cooperatives and mutual-aid teams merged into larger units known as

advanced cooperatives. In these, the dividend based on individual title to the means of production was abolished, and income was henceforth awarded purely on the basis of work performed. The lower-level cooperatives enlarged the unit under one management, thereby further rationalizing the division of labor. Of course this affected women. Small nurseries could be set up within the cooperatives, and women's work teams became quite commonplace since most cooperatives included enough able-bodied women to make them practicable.

The changes brought about by the formation of advanced cooperatives were more profound. Now that the division of the collective's income depended solely on labor, everybody had the maximum incentive to work. Ownership of the means of production ceased to be a factor in women's economic strength. All now depended on their part in productive labor.

The question of equal pay for equal work, which from the time of the first mutual-aid teams had periodically been raised in the press, began to receive a great deal of attention. During the High Tide this was accompanied by an enormous surge of directives, reports, and propaganda stories, many of which concerned the way individual co-ops functioned. Accounts of the role played by women nearly always raised the subject of equal pay. The policy of the party had consistently been one of equal pay for equal work.

This problem, so complex, and so central to the practice of collective agriculture, continued to be a difficult one even under the communes. In 1958, the Central Committee added to its consistent line that men and women should receive equal pay a policy statement that was very relevant to job evaluation and workpoint allocation: "Existing differences in skill in rural areas are not such as to warrant wide pay differentials." Nevertheless, in 1960 in Yangyi commune, Hopei, the tradition of assessing women's work at a low number of points still prevailed.⁶ And reports by recent visitors to China indicate that the practice persists in some areas even today.

If party policy toward women in rural China is to be judged on its own terms, one must first consider to what extent it succeeded in its aim of involving women in productive labor, and then analyze the effect of its success on the women concerned.

The data available on women working in the countryside are inadequate, and do not really admit of comparison over time. Definitions vary or are unstated, and figures are given for different localities each year so that it is not possible to trace the progress made in one area from year to year. In 1949, Teng Ying-ch'ao estimated that 50-70 percent of the women in the Liberated Areas (and 80 percent in the best-organized parts) were engaged in agriculture.⁷ For areas liberated only in 1949, figures of

⁴ "Pei-yüeh ch'ü t'u-ti kai-ke yün-tung chung fa-tung fu-nü ching-yen" (Experience of mobilizing women during land reform in Pei-yüeh district; July, 1947), in *Chung-kuo chieh-fang-ch'ü nung-ts'un fu-nü fan-shen yün-tung su-miao* (The rural women of the Liberated areas of China arise; n.p., 1949).

⁵ William Hinton, *Fanshen* (New York: Monthly Review Press, 1967), p. 397.

⁶ Isabel and David Crook, *The First Year of Yangyi Commune* (London: 1966), p. 127.

⁷ Teng Ying-ch'ao, "Chinese Women Help to Build a New China," *People's China*, 6 (1950).

the same order were being suggested ten years later.* We know that local variations could be considerable: for example, in the Ten Mile Inn brigade, Yangyi commune, Hopei, two-thirds of the women between the ages of 16 and 45 turned out regularly for field work in 1960, whereas in Pailin brigade in the same commune, the figure was 97 percent.⁸ But it seems that "regularly," in this context, could mean anything from a work record of 70 days a year to one of 200 or more. More significant is the 1956 figure of 25 percent, the percentage of total workpoints allocated to women by cooperatives all over China.⁹

Women undoubtedly still continued to work fewer days than men each year, and they often did lighter, less well-remunerated jobs. Where workpoints were allocated on a piecework basis, women probably earned less than men for heavy jobs such as shifting manure, and since pay discrimination persisted in some cooperatives, they would sometimes have had to do more than a man to earn the same number of workpoints. All these factors make it the more remarkable that women should have earned a quarter of the total workpoints in 1956, a figure that indicates a very high level of participation in production by peasant women. The communes, even as modified after 1962, seem to have provided more communal childcare, especially at the rush periods, and the percentage of workpoints earned by women must also have increased, though unfortunately we have no figures for this.

Although we cannot quantify the change, it is safe to say that until 1949 in most areas of China it was exceptional for women to work much in the fields. But by the late 1950's it was quite normal, and most able bodied women did so, though to an extent that varied greatly with local conditions. Furthermore, a greater proportion of work performed by women now entered a formal accounting system, and thus had a value publicly set on it.

The change in women's economic status brought about by involvement in productive work has brought great changes in the peasant women's place in family and society. In 1957, 70-80 percent of the co-ops were said to have women as heads or deputy heads.¹⁰

* Neither Teng's reports nor the later ones quantify the work done, which makes it impossible to assess their real significance or to compare them with confidence.

** No doubt in the great majority of cases the woman was in fact the deputy head, but this does not invalidate the point that a woman was publicly seen to be in a leadership position.

⁸ I. and D. Crook, *op. cit.*, pp. 246, 247.

⁹ Chang Yün, "Ch'in-chien chien-kuo, ch'in-chien ch'i-chia, wei chien-she she-hui chu-i erh fen-tou" (Build the country and keep house thriftily; struggle for socialist construction), in *Chung-kuo fu-nü ti-san-ts'u ch'uan-kuo tai-piao ta-hui chung-yao wen-hsien* (Important Documents of the Third National Representative Congress of Chinese Women; Peking, 1958), p. 13.

¹⁰ *Ibid.*

Thus even peasants who were not in an organization with a woman leader would at least know of one.** Even ordinary women became used to expressing their opinions in meetings at least at the work-team level, and to participating in the making of such important decisions as allocating workpoints. The involvement of women in rural leadership, though significant, is still far from equal to that of men. Obviously women are held back from cadre posts just as they are held back from ordinary labor participation by household and childcare duties.

Furthermore, even when the marriage law is properly implemented, marriage is still normally patrilocal, and the bride has often to move to another village. This is unfavorable to the unmarried woman because the probability of her joining another work team (that of her husband) upon marriage makes her own work team reluctant to send her to courses for cadre training or special agricultural skills. Once married, a girl is still less likely to be put forward as a candidate by her new team because she must first win the confidence of her teammates. By the time she has established a local reputation, she may be involved in child-bearing and -rearing.

In time these problems will possibly be moderated by changes that alleviate family responsibilities, or by an increase in the importance of the brigade at the expense of the work team. The most effective change in the first category would be a significant fall in the birth rate. The second kind of change would help women because where income is accrued at the brigade level, loyalty and identification are focused on the brigade rather than the smaller unit of the work team. Team members would be less reluctant to train someone who seemed likely to remain in the same brigade, and as young people choose their own partners, they will tend more to marry within their brigade, to which their social contacts are normally limited.

In the long term, however, a solution to the inequality of opportunity between men and women will probably require that women as a group campaign against it. This in turn, will necessitate a strong group identification among women as women alongside their identification with a work team or brigade.

Despite their limited prospects at work, within the family women's increased earning power has helped

(Continued on page 99)

Delia Davin is the author of *Women and the Party in Revolutionary China* (forthcoming, 1975), of "Women in the Countryside of China," in Margery Wolf and Roxane Witke, eds., *Women in Chinese Society* (Stanford, Calif.: Stanford University Press, 1975), and of several articles on modern Chinese society. She is currently on leave from York University, working at the Foreign Languages Press in Peking.

BOOK REVIEWS

ON CHINA

WOMEN IN CHINESE SOCIETY. EDITED BY MARGÉRY WOLF AND ROXANE WITKE. (Stanford: Stanford University Press, 1975. 315 pages, notes and index, \$12.50.)

Ten authors attempt to evaluate the immense changes in the status of Chinese women over the last few decades, particularly in comparison with woman's place in pre-modern China and the Republic of China. Joanna Handlin, commenting on women in sixteenth century China, quotes scholars of that period to emphasize "the principles of female subordination and *li* [norms of proper behavior to which boys as well as girls were expected to conform], designed to order society," which began to be formalized in this period.

Mary Rankin writes of the emergence of women in the 50 years preceding the 1911 Revolution, with the beginnings of modern feminism among elitist Chinese. One Ch'iu Chin was even beheaded in 1907 for leading an abortive uprising in Chekiang province. "Women with the requisite knowledge and determination were quick to take advantage of the new situation," pointing the way toward the very substantial degree of "equality and integration" attained in the People's Republic. Ch'iu Chin herself comes "close to being a folk heroine to all Chinese, irrespective of political ideology."

Arthur Wolf describes the peasant woman of rural China in the 50 years preceding 1945. He makes the point that, at least in some areas, the women of the peasant class were beginning to change the subordinate position of women to give themselves more status.

Roxane Witke gives an interesting account of Mao Tse-tung's wife, Chiang Ch'ing, certainly one of the most powerful people in China today and the instigator of the Cultural Revolution that had such impact on all of China. She is still the only woman "among the leading comrades of the Politburo . . . and she is the first woman in Chinese history to assume an authoritative role in the nation's cultural policy . . . she is China's most conspicuous model of woman in revolution . . . the positive and egalitarian female roles she has established . . . will serve as models in people's lives for years to come."

The final article, by Délia Davin, views peasant life in modern China. Many women now play the

dual role of housewife and agricultural worker and are respected counselors in the village cooperatives. "Women now have a voice in decision-making, work-team and family affairs. . . . Girls grow up . . . and no longer wait for others to determine the whole course of their lives."

The editors have made a fine selection and cover a great deal of ground. It would be valuable had they ventured more definite conclusions, but they state that more information is needed before valid conclusions can be drawn for a scholarly reader.

JAPAN AND CHINA: FROM WAR TO PEACE, 1894-1972. BY MARIUS B. JANSEN. (Chicago: Rand McNally College Publishing Co., 1975. 546 pages, sources and index, \$12.95.)

Marius Jansen has written the history of Japan and China in the twentieth century, beginning with the Sino-Japanese War of 1894-1895 and ending with the Peking agreement of 1972 between the two countries, normalizing their relationship. He has written an excellent account of the changing patterns of history as each country has evolved, using largely modern sources as a background for his account of the economic and political trends that have led China to rapprochement with the United States and Japan to become a leading power in the Far East.

Jansen believes that "East Asia will remain the sharpest test for American understanding and wisdom in the last quarter of this century. The appearance of China and Japan, autonomous and equal, as central actors in international affairs marks a new stage in the history of our times." How the United States responds to the changes that have taken place will determine to a large extent the manner in which we will live out the last part of this era.

Jansen has written 12 interpretive essays that he thinks will help us to this understanding. Numerous photographs and excellent maps add great interest to this history.

THROUGH RUSSIAN EYES: AMERICAN-CHINESE RELATIONS. BY S. SERGEICHUK. (Washington, D.C.: International Library, Book Publishers, 1975. 220 pages and index, \$11.95.)

This is a fascinating book to examine while remembering that it is authored under a pseudonym

by a Soviet Sinologist who offers the "official Soviet explanation for the gradual reversal in American attitudes toward Communist China." Part of this official explanation is that the United States planned to abandon Taiwan and cooperate with China in order to curtail Soviet military power, receiving in return a free hand in dealing with the United States problems in Asia, including Vietnam.

We are always too apt to avoid seeing ourselves as others see us and here is an opportunity to see how Soviet propaganda views recent American diplomacy. O.E.S.

CHINA TODAY. By NIGEL CAMERON. (London: Collins, Publishers, 1974. 128 pages, selected bibliography and index, \$5.90.)

This is a handsomely illustrated, short history of China since the Communist victory in 1949.

OPIUM WAR IN CHINA: 1840-1842. By ROBIN MCKOWN. (New York: Franklin Watts, Inc., 1974. 66 pages, bibliography and index, \$3.45.)

Robin Mckown has written a short account of an unsavory episode in British history—the era when England went to war with China to force the continuation of the opium trade.

MID-CH'ING RICE MARKETS AND TRADE, AN ESSAY IN PRICE HISTORY. By HAN-SHENG CHUAN AND RICHARD A. KRAUS. (Cambridge: Harvard University Press, 1975. 238 pages, bibliography, glossary, notes and index, \$6.00, paper.)

Historians are often able to reassemble the history of a past age from lists and data of commercial transactions. "Prices reflect and measure the influence of changes in population, in the supply of precious metals, in industrial structure and agricultural methods, in trade and transport, in consumption and in the technical arts." The authors of this scholarly book have written the history of the Ch'ing Dynasty of the eighteenth century from the commercial records available to them.

EMIGRATION AND THE CHINESE LINEAGE: THE MANS IN HONG KONG AND LONDON. By JAMES L. WATSON. (Berkeley: University of California Press, 1975. 242 pages, bibliography and index, \$10.00.)

James Watson has written an interesting history of emigrants from the village of San Tin in Hong Kong, all members of the Man family. The villagers who remain are almost completely dependent on remittances sent from their relatives working in

restaurants in England and Holland; the emigrants themselves always expect to return to the native village after making sufficient money.

U.S. POLICY AND STRATEGIC INTERESTS IN THE WESTERN PACIFIC. By YUAN-LI WU. (New York: Crane, Russak & Company, Inc., 1975. 214 pages and index, \$14.50.)

This is an excellent evaluation of United States policy in the Western Pacific, with a valuable chapter on the negotiations that brought about the rapprochement between the United States and the People's Republic of China.

SOUTHEAST ASIA'S CHINESE MINORITIES. By MARY F. SOMERS HEIDHUES. (New York: Longman, Inc., 1975. 125 pages, bibliography and index, \$6.50.)

There are many large groups of Chinese living in the countries of Southeast Asia, where they constitute substantial minority blocs. Mary Heidhues writes of the various countries where these people live, their relations with their host country and their ties or lack of ties to Communist China.

SOVIET AND CHINESE INFLUENCE IN THE THIRD WORLD. EDITED BY ALVIN Z. RUBINSTEIN. (New York: Praeger Publisher, 1975. 232 pages and index, \$17.50.)

Alvin Rubinstein has selected essays to "provide up-to-date analyses of Soviet and Chinese influence in strategically important Third World countries and regions."

MISCELLANY

GUINEA-BISSAU. A STUDY OF POLITICAL MOBILIZATION. By LARS RUDEBECK. (Uppsala, Sweden: The Scandinavian Institute of African Studies, 1974. 277 pages and appendices, Skr. 40.)

Rudebeck has written a detailed history of the way Guinea-Bissau was able to gain independence from Portugal's colonial rule and to achieve United Nations membership in 1974 as the Republic of Guinea-Bissau.

BOTSWANA, A SHORT POLITICAL HISTORY. By ANTHONY SILLARY. (London: Methuen and Co., Ltd., 1974. 219 pages, sources, notes, bibliography and index, \$8.75.)

Anthony Sillary, resident commissioner in the Bechuanaland Protectorate from 1947 to 1950, writes of the past history of the protectorate, the influences that shaped its growth and its emergence as the independent Botswana Republic.

TAIWAN AFTER CHIANG KAI-SHEK

(Continued from page 93)

high offices will further increase the political participation of the Taiwanese. Members of the former Taiwanese land-owning class have become the titans of industry.

Time has healed the wounds of earlier years. Young people live and work together and get married without much consciousness of their different origins. The death of Chiang Kai-shek was an occasion for an eloquent expression of the consciousness of common goals and common fate that is basic to solidarity and stability. People came to Taipei from all parts of the island to pay homage to the man to whom they gave credit for the good life they enjoy. Some of them rode several hours on the train to take part in the funeral rites. They were Taiwanese rather than mainlanders and they came from villages and cities.

There remain vexing problems that require serious thinking and careful planning. Some of the problems arise from the transition from an agricultural to an industrial economy. Others concern the expansion of education: how to modify the education program to meet the new demands of an industrialized society and the expectations of youth in an age of changing values. Urbanization brings moral and social problems.

For the immediate future, Taiwan's most pressing need is to strengthen the economy further. Internally, a strong economy will raise public morale and insure stability. Externally, foreign trade will prosper as long as Taiwan produces goods of high quality.

In the long run, however, the political factor must be considered to be of paramount importance. So far, Taiwan has managed to survive and prosper in spite of her expulsion from the United Nations and the diplomatic desertion of erstwhile friends and allies. Her survival may be adversely affected by radical changes in international politics. Countries now eager to trade with Taiwan without diplomatic relations may later adopt a different course of action dictated by political considerations. As long as most nations adhere to the present policy of recognizing one China in principle and dealing with two Chinese governments in practice, Taiwan will probably continue to be a stable and prosperous country where 16 million people live in peace and relative contentment.

The policy of the United States will make a crucial difference, not only in its direct effect on Taiwan but also in its influence on other countries. As long as United States policy remains basically unaltered, as long as the present balance of international politics is maintained, and as long as trade relations are not disrupted, Taiwan may look to the future with confidence. ■

WOMEN IN CHINA

(Continued from page 96)

to change their position. Girl children are no longer regarded as liabilities to be partially redeemed by a profitable match. Young women find it far easier to delay marriage and to persuade parents at least to consider their views on a prospective partner. As married women they are treated with more respect. Not having been brought into the family at great expense, they are no longer viewed by their in-laws as a drain on the family's resources. Indeed, they contribute to the family income. Consultation between husband and wife is more natural in households where the woman, too, is gainfully employed.

Undeniably women pay a price for all they have gained. Even if there were a sufficient number of crèches and nurseries and if the canteens had been a complete success, a certain amount of housework would remain. As it is, the surviving domestic burden is a heavy one, and it falls preponderantly on women. In 1953, an article on getting women to participate in field work listed the three main obstacles to their doing so: the need to care for children during the day, to find time to weave cloth for the family's clothes, and to cook at the end of a long day's work.¹¹ The solution urged by the article, which it claimed had been implemented in the area described, was that older women should help out whenever possible with the children, and that husbands should assist wives. When the older women take on an extra household burden, young women participate in production to some extent at the expense of their elders.

Village life in China is still very tough. Survival requires hard work, and economic progress demands still more. Many women, playing a dual role, work even harder than men. Some are no doubt held back by this from playing an active part in politics and public affairs. Others, with great sacrifice of time and effort, become leaders in rural society. Women have not won equality of opportunity in the affairs of rural society. But inasmuch as they can rise in it, at least they have *more* opportunity, and can continue the struggle. Women now have a voice in decision-making in village, work-team, and family affairs. Girls grow up expecting to make an economic contribution to the family, and no longer wait for others to determine the whole course of their lives. Liberation is of course still far from complete, but women's place in rural China has undergone as tremendous a revolution as any other aspect of village society. ■

¹¹ All-China Democratic Women's Federation (Educational Bureau), *Fu-nü ts'an-chia sheng-ch'an chien-she ti hsein-chin pang-yang*, p. 43.

CHINESE IDEOLOGY AFTER THE CULTURAL REVOLUTION

(Continued from page 69)

follow a bourgeois life style "within the ranks of the proletariat and among the personnel of state organs."⁴ In a country where nearly 80 percent of the population are still peasants, skilled workers and high-ranking cadres are the elite.

Reference was made by Yao and the *People's Daily* to a recent statement by Mao, for which no citation was given, in which Mao complained that there were inherently unequal wage differentials in China.

Originally, Karl Marx interpreted the dictatorship of the proletariat as the exercise of state power by the working class, but the Maoist interpretation follows the Leninist reinterpretation, i.e., Marx was referring to the exercise of state power by the Communist party. Hence, the Communist party must intensify its control over the new elite; if it does not, Yao predicted, a "new bourgeois class" would usurp power as it had in the Soviet Union. He warned that "material incentives will spread unchecked; public property will become private property."⁵ In line with his denunciation of material incentives, Yao rejected the empirical approach for which the Legalists had just been praised in the anti-Confucian campaign. He quoted Mao as saying in 1959 that "at present the main danger lies in empiricism."⁶ He pointed out that over the past decades, Mao had reiterated this opinion on many occasions.

The government's apparent reply to these criticisms was an article by Chang Ch'un-ch'iao in the April issue of *Red Flag*, a defense of the prevailing system of material incentives against Yao's implicit attack. Chang explained that there would be no rapid transition in China to communism. Speaking of the communes, he asserted that:

It will take a fairly long time to effect the transition from team to brigade to commune functioning as the basic accounting unit. . . . Thus, within a short period, no basic change will take place.

⁴ *People's Daily* editorial, "Study Well the Theory of the Dictatorship of the Proletariat," February 9, 1975, *Peking Review*, February 14, 1975, p. 4.

⁵ Yao Wen-yuan, *Peking Review*, March 7, 1975, p. 6.

⁶ *Ibid.*, p. 9.

⁷ Chang Ch'un-ch'iao, "On Exercising All-round Dictatorship over the Bourgeoisie," *Peking Review*, April 5, 1975, p. 8.

⁸ *Ibid.*, p. 10.

⁹ *Loc. cit.*

¹⁰ *People's Daily* editorial, *Peking Review*, February 14, 1975, pp. 4-5.

¹¹ Chang Ch'un-ch'iao, *Peking Review*, April 4, 1975, p. 5.

¹² T'ien Chih-sung, "The Touchstone for Testing Genuine and Sham Marxism," *Peking Review*, May 16, 1975, p. 10.

As long as this system remained in effect, "commodity production, exchange through money, and distribution according to work were inevitable."⁷ He rejected the voluntarist approach to achieving communism, denouncing "communization," which was implicitly defined as the effort to leap to communism in a short period of time through sheer will, as in the Great Leap Forward. "Communization," Chang insisted, "will never be allowed to rise again."⁸ Instead he advocated the more traditional Marxist approach: communism will be achieved only when there is a great abundance of commodities. Until that time, China must rely on more conventional economic practices.

So long as . . . we cannot offer a great abundance of products for distribution according to the needs of 800 million, we will continue with commodity production, exchange through money, and distribution according to work.⁹

Another theme that Chang stressed was a carry-over of the anti-Confucian campaign, the need for discipline and "law and order" implemented by the dictatorship of the proletariat. Yao had also dealt with this theme, but in his article and in the *People's Daily* editorial of February 9, the emphasis was on the struggle against bourgeois and revisionist influence rather than on the establishment of order and unity. The *People's Daily* editorial stressed the need to:

struggle against newly engendered bourgeois elements and overcome the corrosion and influence on the proletariat by the bourgeois and by force of habit of the old society.¹⁰

Chang's article switches the emphasis from struggle to order. Lenin is repeatedly quoted to validate this shift. Lenin pointed out that:

Recognition of class struggle alone is insufficient and only he is a Marxist who extends recognition of class struggle to recognition of the dictatorship of the proletariat.¹¹

Along with this switch in emphasis, there was a redefinition of the term "bourgeois." It is now applied to those who prefer the struggle approach of the Cultural Revolution rather than the party control method of the post-Cultural Revolution period (perhaps an indirect rebuke to Yao and his fellow ideologues). A frequent writer on the subject of the dictatorship of the proletariat, T'ien Chih-sung used another Lenin quote to oppose the emphasis on struggle.

Those who recognize only the class struggle are not Marxists; they may be found to be still within the boundaries of bourgeois thinking and bourgeois politics. . . . Only he is a Marxist who extends recognition of class struggle to the dictatorship of the proletariat. This is the difference between Marxists and petty bourgeoisie.¹²

With this redefinition, the epithet "bourgeois" was used not so much against those who demand material incentives as against those who advocate struggle

rather than the political control of the party.

Yao's demand that wage differentials be narrowed was rebutted with the argument that wage differentials, at least in the short run, should become no wider. Ch'i Yen admitted in the April *Red Flag* that, if material incentives "were allowed to develop without restriction, the gap between those with more and those with less would become wider." But on the other hand, he asserted, "if we hold that the principle of 'distribution according to work' can be done away with right now . . . we make left deviationist mistakes."¹³ Moreover, as if in answer to criticism of the constitution's recognition of private plots and sideline occupations, Ch'i Yen strongly supported these activities.¹⁴

Although one of the purposes of the Cultural Revolution was to close the gap between the rural and urban sectors, Ch'i Yen acknowledged that "the three major differences"—the differences between worker and peasant, town and country, and mental and manual labor—are still very much in existence. He rejected an all-out assault to close these differences as in the Cultural Revolution and recommended a gradual, more moderate approach:

The three major differences can only be eliminated step by step, which requires a process taking a long period of time and calls for the creation of material and ideological conditions. It is impossible to solve the problem all at once.

In contrast to Yao Wen-yuan, Ch'i Yen advocates the empirical emphasis of the anti-Confucian campaign: "Attention must be paid to guard against such sentiments which are divorced from reality."¹⁵

What is Mao's role in this debate? Yao and the February 9 editorial of *People's Daily* used supposedly recent quotes from Mao to support their opposition to unequal wage differentials. Given Mao's persistent concern throughout his long career with the establishment of a managerial elite, it is likely that he, like Yao, fears that the increasing concentration on economic development will widen wage differentials further. Also, given the makeup of the new government and the revised constitution, he has reason to believe that there will be further wage differentials. The warning about the emergence of a bourgeois life style among the proletariat and cadres was also attributed to Mao. The very fact that Mao, who had presided at previous National People's Congresses and had been well enough to entertain foreign visitors, did not attend the Fourth National People's Congress might reflect his disapproval of the proceedings.

Yet these apparent differences do not necessarily signify a factional and ideological dispute on the scale of the Cultural Revolution. This debate appears to be going on within agreed-upon limits. Both Yao and Chang accept the importance of imposing the dictatorship of the proletariat, which means party control. Furthermore, both sides advocate a gradual, orderly approach to change. Both Yao and Chang say that China must advance "step by step." In addition, both affirm that communism will be achieved through the working out of economic and technological changes rather than through the reliance on the subjective will. "Communism," Yao said, "is inevitable, certain, independent of man's will." Finally, they both prescribe a virtually Confucian approach to the translation of Mao's program into reality by means of "reading and study, conducting investigations." Unlike the Cultural Revolution, Yao's approach is not messianic. He claims that Mao's "latest instructions . . . will provide nationwide stability and unity."¹⁶

Nevertheless, Yao is much more concerned with the specter of a new class emerging from economic development and of the need to restrict remuneration; Chang is more willing to tolerate this new class and the wage differentials in the short run in order to advance China's economic development. This constant tension between those who advocate indoctrination and ideological incentives and those who advocate material incentives and economic methods to modernize China has persisted throughout the regime. It burst out into open conflict in the Cultural Revolution. There is a question whether this recent debate is based on compromise or reflects deep conflicts.

Probably, the answer lies somewhere in between. Although the government and its critics appear to be engaged in a controlled, disciplined debate, it is unlikely that this debate is the result of a genuine compromise. Rather, it may reflect an uneasy balance of conflicting views. Both sides may fear that internal disruptions like the Cultural Revolution may damage economic development and the opening to the West that ideologues as well as officials appear to favor.

As yet, despite their divergence on material incentives, there is no indication that Mao or the ideologues advocate any drastic change of the existing system, as in the Cultural Revolution. Still, there has been no resolution of the underlying tensions that have persisted since the Cultural Revolution between those who advocate ideological methods and those who advocate economic methods to achieve China's modernization. China is again at a crossroads where this uneasy balance of conflicting views may move toward a genuine compromise or to the kind of factional struggle that gave rise to the Cultural Revolution.

¹³ Chi Yen, "Ideological Weapon for Restricting Bourgeois Right," *Peking Review*, May 30, 1975, p. 9.

¹⁴ *Ibid.*, p. 8.

¹⁵ *Ibid.*, p. 10.

¹⁶ Yao Wen-yuan, *Peking Review*, March 7, 1975, p. 10.

MILITARY CAPABILITIES IN CHINA

(Continued from page 74)

It is important to recognize that the annual military budgets of the two superpowers are almost as great as China's estimated gross national product. In 1973, the PRC's military budget was about 20 percent of the United States military budget, although it is axiomatic that cost and fiscal comparisons are uncertain. It is also true that China is handicapped by gaps and irregularities in industrial and technological structure. Military equipment output is particularly plagued by technical problems in moving from prototype to serial production.

Ideology and internal politics have major roles in Chinese force building and distribution. But whatever the impact of these considerations, the forces in being and projected speak for themselves as military entities. The PLA is now clearly a force whose basic mission is to deter a would-be attacker or, if it becomes necessary, to defeat him by tactics that combine Maoist concepts of "protracted war" and "people's war" with steadily improving equipment. The systems now in hand and apparently planned for the near future would be less and less effective beyond the border, lacking as they do some of the essential means for "shooting, moving, and communicating" at longer ranges or distances from home. Beyond China's border, the support of an active, indoctrinated countryside would not enter as a vital factor in tactics; lack of access to the rail and road transport systems of the homeland would substantially reduce mobility. Aircraft of relatively short range and the apparent absence of modern logistics systems would further tie troops to home base.

The concern has been expressed that Peking's policies represent a decision to maintain an effective deterrent posture as a shield behind which industrial and scientific resources can concentrate on building a modern industrial base from which truly effective weapons can then be drawn. In the meantime, it is entirely possible that the leadership in Peking has come to realize that further increments of the types of weapons and equipment now in service add comparatively little to China's current prudent, defensive posture. An attempt to move to a new plateau of capability—embodying, say, expanded range and firepower to operate offensively throughout Asia—would call for expenditures so large that China would have to forego any hope of reaching the goal stated by Premier Chou En-lai at the Fourth People's Congress in January, 1975:

"... the comprehensive modernization of agriculture, industry, national defense and science and technology

before the end of the century, so that our national economy will be advancing in the front ranks of the world.¹⁷

Should movement on the broad front implied in this statement be seriously hampered by a need for a massive increase in armaments, China would pay a very high price and would gather, in return, only a modest increase in deterrent capabilities. It is inconceivable that Peking could arrive at a position in which it would have the sheer physical power to dominate the U.S.S.R. or the United States. Unless there should be a substantial change in China's assessment of threats to her national security, it seems reasonable to predict that over the near future China's leaders will continue to focus on slow-paced qualitative improvements in the conventional and nuclear forces that are now working as a minimum deterrent. ■

THE CHINESE ECONOMIC MODEL

(Continued from page 84)

what a given society thinks it is and wants to become—its stated ideals—is as revealing as the examination of what that society actually does overtly and below the surface of official policy pronouncements. From this standpoint, contemporary China is unequivocally committed to the ultimate repeal of material incentives focusing on the self, in spite of the persistence of rather significant personal income disparities and discreet but very real power privileges.

What has been accomplished so far may be summed up as follows: (1) the right of conspicuous personal consumption of material wealth and power has been declared socially illegitimate; a uniformity of dress and manner (at times amounting to proletarian affectation) has been imposed on everyone; (2) individual and collective money bonuses for overfulfillment of assigned industrial tasks have been abolished; (3) a rising share of total household income consists of communal consumption items (e.g., education, health care, communal living in workers' dormitories, especially for the unmarried and those separated from their families by administrative work assignments); (4) experiments in the mass determination of individual workpoints in the countryside have been introduced on the Tachai Brigade emulation model; and (5) career expectations are restricted by an educational system which, from nursery school on, stresses the nobility of manual, indeed the most menial, labor. This is not to say that things actually work out the way they are set up; but an overwhelming sense of egalitarian asceticism pervades society, and deviations are costly to the trespasser the very next time a cultural rectification campaign comes around. And the only certain thing is that it will come around.

¹⁷ *Peking Review*, January 24, 1975.

PUBLIC HEALTH

The Chinese model departs from its Soviet predecessor in its provision for health care delivery to the vast multitudes in the countryside. The Cooperative Medical System consists of a network of paramedical and public health personnel, medical doctors trained in Western medical science who have been settled permanently in the country, mobile medical teams periodically sent to rural areas from the cities, some half-million practitioners of traditional Chinese (mainly herbalist) medicine, health clinics run by production brigades, hospitals run by communes and counties, and an elaborate system of referrals, whereby more serious cases are passed up the ladder to provincial or specialized municipal hospitals. The system is largely self-financing and despite what may appear to Westerners to be nominal charges to patients, is quite costly to rural households. I have calculated elsewhere⁹ that for a middle-income peasant the annual insurance fee, plus the fee for consultation, plus half the hospital costs for, say, a bout of appendicitis, comes to as much as 3.8 percent of his not overly generous annual income of 240 yuan (roughly \$120). However, health care is available to those who formerly were left to their own devices and the system—unlike Stalin's half-hearted jabs at medical care to collective peasants—is not a sham. As we have seen, the system has significant side benefits in the form of public hygiene, the prevention of endemic and parasitic diseases, and family limitation. The psychological income flowing from the knowledge that, in the event of serious illness, one will not be left alone to die is not to be discounted. A regrettable feature of the system is that it excludes presumably large numbers of people who, in the official scheme, are declared to be "people outside the people": the often arbitrarily defined "counterrevolutionaries, rightists, former landlords, rich peasants, and bad elements" and those among their descendants who are branded as "unreformable." When giving credit where credit is due, one has to keep in mind the repulsive class racism that accompanies many of the Chinese model's constructive measures. I was told by a high official of the regime that the "non-people" constitute at most 5 percent of the population. Such political arithmetic probably understates the case, but even if it is accepted it means that some 43 million men and women are deprived of basic human rights. No amount of dialectical logic arguing the marked improvement in the welfare of the vast majority can wash away the injustice to the minority.

THE FUTURE OF THE CHINESE MODEL

The Chinese economic model rests on a precarious

balance of power between China's contending and contentious leadership factions. The balance is made possible by the unifying force of Mao's personality and Chou En-lai's diplomatic, wound-healing abilities. Their passing is bound to bring to the surface many unsettled questions, some of which constitute the foundations of the present system. The Thought of Chairman Mao will surely remain for a time at least, but interpretations of that thought will differ. It may be presumed that, at that juncture, the Soviet Union will not sit by passively. If the official version of the Lin Piao affair is near the mark, the Soviets have made attempts in the past to fish in troubled waters, and they may be expected to do so again.

It is really not possible to make tenable predictions in an area so fraught with uncertainty; the volumes which already have been written on the subject will have to be rewritten. One can only analyze the model as it exists, point to its peculiarities and departures from the orthodox socialist path, indicate its drift, estimate the benefits, and count its costs to the Chinese people. Such an undertaking, while modest, is hopefully instructive. ■

THIRD WORLD

(Continued from page 79)

China's increasing role in the third world. Chinese foreign trade is generally on the rise—though her principal need is for capital goods. Peking has encouraged nuclear free regional zones, and writes of the seas as if it hopes that third world countries will accept as a norm the proposition that nuclear submarines be confined to their own territorial seas. China sees promise in the third world and the new majority it leads; still, she does not readily bind herself, often taking the path of "not participating in the vote" or recording specific reservations when forced to consider difficult matters in the United Nations and its bodies.

Most sharply opposed to this third world "majority" is the United States. Its position was stated most abrasively in the United Nations in December, 1974, by John Scali when he spoke of the "tyranny of the majority." Like China, the United States will certainly reserve its freedom of action, and so will the Soviet Union.

It is also important to underscore that the third world and the Group of 77 are not monolithic, not always in agreement, and certainly not instruments in the hands of China. China's reductive analyses of complex international situations reveal the interpretations China chooses to circulate, and probably also reveal those aspects of the situation Chinese decision-makers regard as most important. The interests,

⁹ In my forthcoming *The Chinese Economy: Problems and Policies*.

views and reservations of others are intricate. China's task is to find a viable community of commitments, hopes and interests that will sustain her practical association with a large enough group moving in favored political directions. It may even be that, in order to join hands with such a group, China will find her customary prerogatives intruded upon, and will be forced to give up some stabilities.

In the preceding year, China has joined with and encouraged some states that seek great change, i.e., a new international economic order and in some respects a new political order as well. Her strongest allies are in the third world. But just as China maintains a tension at home between stability and change, so she prizes a dynamically stable outcome in the international sphere. If that is to rest on the foundation of "mutual benefits," an unceasing political exchange will accompany it. ■

CHINA AND THE SOVIET UNION

(Continued from page 67)

on a state-to-state level. The negotiations on the Sino-Soviet boundary question have yielded no results so far, according to Chou, because of Soviet unwillingness to sign the agreement drawn up between Chou En-lai and Soviet Foreign Minister Andrei Gromyko in 1969 at a meeting at Peking Airport. Chou noted that this agreement was supposed to include "the disengagement of the armed forces of the two sides in the disputed areas on the border." Without this, treaties on the non-use of force were meaningless. Then Chou En-lai continued:

We wish to advise the Soviet leadership to sit down and negotiate honestly, do something to solve a bit of the problem and stop playing such deceitful tricks.

This indeed sounded almost like an invitation to negotiations that could proceed step by step. In the meantime, high-ranking Chinese government officials:

have repeated in October of last year to visiting Canadian journalists a Chinese policy view that is no longer based on fear of Soviet attack and that favors normalization of relations with the Soviet Union and a settlement of border disputes.

One may wonder indeed, whether a thaw in Sino-Soviet relations is coming.

Meanwhile, Chinese policy makers appeared to have withdrawn from the challenge of the Soviet Union in the Communist movement and have retreated to another field of new political momentum—the leadership of the so-called third world. China's assumed "special role" in creating a comradely atmosphere and promoting revolution in the Afro-Asian and South

American world is not new. It goes back to the Bandung conference and the so-called Afro-Asian solidarity conferences. Since the new turn in Chinese foreign policy, however, and since the hardening of the Sino-Soviet conflict, this Chinese third world policy has assumed a new dimension.* It was formulated by Deputy Prime Minister Teng Hsiao-ping in April, 1974, at the United Nations Assembly meeting in New York. According to Teng, the Chinese see a new division of global relations into three worlds. The first world is that of the superpowers, that is, the United States and the Soviet Union; the second world is that of the lesser capitalist countries, Japan and the nations of Europe, who are also suppressed by the superpowers; and lastly, the third world, the world of revolution. In this new categorization, according to Teng Hsiao-ping, the socialist camp, "which once existed does no longer exist." China herself, as a socialist country, belongs to the third world, and, under the slogan, "countries want independence, nations want liberation, and the people want revolution," has become the self-proclaimed leader of "an irresistible historical trend."

China thus turns to a new field of activity. What this means at present, at least, is that her challenge to the Soviet Union for leadership in the socialist camp has been abandoned under the excuse that the camp no longer exists. The new formulation of the three worlds and of China's role in the world can therefore be regarded as a retreat from the conflict with Moscow, in the same way that the Chinese isolation during the cultural revolution was a safety device to prevent foreign intervention in an internal conflict.

Domestic conflict, however, appears to continue under the surface. And with the age and obvious decline of Mao Tse-tung, the moment of truth may be at hand. If conflict leads to inner division, the opportunity for Soviet intervention may be near. This may be the opportunity for which the Soviet Union is waiting—the political opportunity in which military force could be used as a leverage of power. To foreign visitors, Soviet authorities have made clear that they have friends in Peking, although, of course, they refuse to indicate who these friends are. On May 15, 1975, *Izvestia* charged that China is purging the ranks of military and civilian officials out of fear that they might "mount an organized opposition" to the current anti-Soviet course of the regime of Mao Tse-tung. The newspaper claimed that many Chinese officials do not regard the Soviet Union as a threat to China and do not share an anti-Soviet view. Who these friends are and whether they really exist—speculation has it that they may be found among some of the Chinese military—is perhaps the most crucial question for the not-so-distant future. In the meantime, the Soviets appear to be waiting for the denouement. ■

* See also the article by Parris Chang in this issue.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of July, 1975, to provide a day-by-day summary of world affairs.

INTERNATIONAL

European Conference on Security and Cooperation

July 31—In the largest summit conference in European history, 33 European states, Canada and the U.S. meet in Helsinki for the final session of the Conference on Security and Cooperation in Europe. A declaration recognizing the European borders at the close of World War II will be signed August 1.

European Economic Community (EEC)

July 22—The foreign ministers of the EEC countries, meeting in Brussels, agree to open conferences with Egypt, Lebanon, Jordan and Syria in an effort to reach major agreements on financial aid and trade preference.

General Agreement on Tariffs and Trade (GATT)

July 11—Meeting in Geneva, the 60 members of GATT establish an 18-member group to act as a special task force with the mandate of "forestalling whenever possible" upheavals threatening GATT's international trading system, and to cooperate with the comparable "group of 20" established by the International Monetary Fund (IMF) to deal with fiscal and related problems.

International Coffee Council

July 13—The 62 nations of the International Coffee Council conclude 3 weeks of talks in London; they agree on the principles of a new treaty to regulate the coffee trade.

Middle East Crisis

(See also *Lebanon; U.S., Foreign Policy*)

July 4—13 Israelis are killed and 72 are wounded in the explosion of a terrorist bomb in Jerusalem.

July 7—Israeli Ambassador to the U.S. Simcha Dinitz returns to Washington, D.C., to meet with U.S. Secretary of State Henry Kissinger to explain Israel's decision to postpone further action on a new Egyptian agreement. Israel is waiting for a further clarification of Egyptian and American viewpoints.

July 10—Israeli Premier Yitzhak Rabin meets with West German leaders, including West German

Chancellor Helmut Schmidt, to explain the Israeli position in the Middle East negotiations.

July 12—Israeli Premier Rabin and U.S. Secretary of State Kissinger meet in Bonn to discuss Middle East peace negotiations.

July 13—At the end of a 4-hour Cabinet meeting, Israeli Premier Rabin reports that Israel will stand firm on her terms for an interim agreement with Egypt and will continue to seek clarification of the terms.

July 15—The Islamic foreign ministers' conference, meeting in Jidda, Saudi Arabia, adopts a Syrian resolution calling for the expulsion of Israel from the U.N.

July 16—Saudi Arabian King Khalid arrives in Cairo for a 5-day visit, his first visit to a foreign country since he succeeded the assassinated King Faisal. This is regarded as a show of support for Egyptian President Anwar Sadat in his negotiations with Israel.

July 20—Saudi Arabian King Khalid, ending his 5-day trip to Egypt, endorses the Egyptian refusal to renew the mandate of the U.N. peace-keeping force in the Sinai; he also pledges \$600 million to the Egyptian Central Bank.

July 23—Egyptian Foreign Minister Ismail Fahmy reveals that Egypt will allow a 90-day renewal of the U.N. mandate to station a peace-keeping force in the Sinai.

Israeli Premier Rabin says that "face-to-face negotiations between Israeli and Egyptian delegations" are required to conclude a new interim pact.

July 24—The U.N. Security Council votes to extend the peace-keeping force in the Sinai for 3 months.

Organization of African Unity (OAU)

(See also *France; Portuguese Territories, Angola*)

July 18—The foreign ministers of 43 of the 46 members of the OAU open the 12th leaders' meeting in Kampala, Uganda.

July 22—Leaders of the African states suggest that the military commanders of Angola's warring guerrilla movements go to Kampala to try to work out a peace agreement with the help of the OAU.

July 28—President Idi Amin of Uganda is elected chairman of the 46-member OAU.

Organization of American States (OAS)

July 7—In Washington, D.C., Alejandro Orfila of Argentina is installed as president of the OAS.

July 26—After 11 days of negotiations, the 21 members of the OAS complete a modernization of the 1947 Treaty of Rio de Janeiro and agree to vote on lifting the embargo against Cuba that was imposed in 1964.

July 29—16 of the 21 OAS members, including the U.S., vote to end the political and economic sanctions imposed on Cuba 11 years ago because Cuba fostered Communist guerrilla activity against member countries.

Science and Space

(See also *U.S.S.R.*; *U.S.*, *Science and Space*)

July 15—A U.S.S.R. Soyuz spacecraft with 2 men aboard blasts off from the Soviet space center in Baikonur in Central Asia carrying its crew toward a rendezvous with 3 American astronauts in an Apollo spaceship.

Seven and one-half hours after the Soyuz launching, 3 American astronauts are successfully launched from Cape Canaveral, Florida, to rendezvous with their Soviet counterparts.

July 17—The American and Soviet spacecrafts successfully link together; the crew members of the 2 ships exchange visits between the ships.

July 19—Apollo and Soyuz crews end 2 days of link-up and end their historic first international meeting off the earth's surface.

Southeast Asia Treaty Organization (SEATO)

(See *Philippines*)

United Nations

(See also *Intl.*, *Middle East Crisis*)

July 2—The International Women's Year World Conference ends its meetings in Mexico City. It adopts a 10-year action plan to improve the status of the world's 2 billion women.

ARGENTINA

(See also *Intl.*, *OAS*)

July 1—Government officials and Peronist labor leaders agree to continue to negotiate the recent wage disputes.

July 6—In an attempt to ward off a general strike, the government announces the resignation of the entire Cabinet.

July 7—The General Confederation of Workers, a coalition of labor unions representing nearly 3 million workers, begins a 2-day general strike.

July 8—Labor leaders call off the general strike after the government agrees to their wage demands. The unions win salary increases of nearly 100 percent.

July 11—President Isabel Martínez de Perón appoints a new Cabinet. She accepts the resignation of

José López Rega as social welfare minister and as her private secretary. The armed forces and most political groups have been demanding his resignation.

July 20—Former presidential adviser López Rega goes into exile in Brazil.

July 21—Labor leaders end a meeting with Perón abruptly because they consider her to be "in a state of extreme fatigue and nervousness."

July 22—Pedro Bonanni is appointed minister of the economy; Rodolfo Roballos is named social welfare minister, replacing José López Rega.

AUSTRALIA

July 2—Prime Minister Gough Whitlam demands the resignation of his Deputy Prime Minister and environment minister, James F. Cairns. Cairns has been charged with improperly raising foreign loans.

BRAZIL

July 4—The government contracts for a \$2.5-million experimental nuclear reactor from France.

CAMBODIA

July 20—Survivors at a Thai border town report a massacre by government troops of 300 Cambodians who were trying to escape across the border.

CANADA

(See also *U.S.S.R.*; *U.S.*, *Economy*)

July 16—Minister for Energy, Mines and Resources Donald S. Macdonald announces a cutback in the amount of natural gas sold to U.S. consumers.

July 23—The minister of state for fisheries announces that all of Canada's Atlantic ports will be closed to Soviet fishing fleets.

CAPE VERDE ISLANDS

July 5—The country ends a 515-year rule by Portugal and becomes independent.

CHINA

(See also *Thailand*)

July 15—A report published by the Joint Economic Committee of the U.S. Congress indicates that China's expenditures for military equipment have been reduced by 25 percent since 1970-1971.

July 17—Thailand's minister of commerce announces that China will purchase 200,000 tons of Thai rice this year.

COMORO ISLANDS

(See also *France*)

July 6—The Comoro Islands declare their independence of France.

July 8—Ahmed Abdallah is appointed President by the Chamber of Deputies.

CUBA

(See *Intl, OAS*)

EGYPT

(See *Intl, Middle East; U.S.S.R.*)

ETHIOPIA

July 19—2 Americans and 4 Ethiopians are kidnapped in Eritrea Province by the Eritrean Liberation Front.

July 28—According to reliable diplomatic sources, heavy fighting between government forces and Eritrean rebel troops has broken out around Asmara.

FRANCE

(See also *Brazil; Comoro Islands*)

July 9—The government agrees to allow one of the Comoro Islands, Mayotte, to remain under French rule at Mayotte's request, and to grant independence to the other 3 islands.

July 27—After conferring in Bonn, French President Valéry Giscard d'Estaing and West German Chancellor Helmut Schmidt announce that at the end of August their respective countries will begin synchronized programs to improve their economies.

GERMANY, FEDERAL REPUBLIC OF (West)

(See *Intl, Middle East Crisis; France*)

GREECE

July 28—The trial of the 20 leaders of the former military ruling junta on charges of high treason and revolt opens in Athens.

INDIA

July 1—Prime Minister Indira Gandhi announces new economic reforms intended to help bring down prices, reduce the peasants' debts and redistribute land.

July 4—The government orders a ban on the activities of major opposition political groups. In the past several days thousands of political opponents have been arrested; the press is under rigid censorship.

July 10—To prevent further contacts and sources of information, the government prohibits Indian journalists from entering Parliament's lobbies.

July 12—Gandhi states that the number of people arrested in the last 2 weeks has been "very meager" compared with the total population and that 75 percent of the 5,000 arrested are common criminals and not political prisoners.

July 14—The Supreme Court announces that it will begin hearing Gandhi's appeal August 11.

July 19—An important labor leader, George Fernandes, chairman of the Socialist party and a former member of Parliament, urges the people to form "action units" to organize general strikes, to overthrow "the fascist dictatorship" of Prime Minister Gandhi.

July 20—The government postpones the elections in the state of Kerala, scheduled for September.

July 21—The government further restricts news reports filed by foreign correspondents. A set of "censorship guidelines" is established. Those who do not sign a pledge to abide by the guidelines will be expelled.

July 22—The upper house of Parliament votes overwhelmingly to support Gandhi's emergency measures. Members of the opposition parties walk out in protest.

July 23—The lower house of Parliament votes 336 to 59 to support the emergency measures. Members of the opposition in the lower house also begin to boycott Parliament.

July 24—The upper house of Parliament votes 164 to 0 in favor of an amendment to the constitution denying the courts the right to rule on a state of emergency. The lower house ratified the amendment 341 to 1 on July 23.

July 25—Kuldip Nayar, senior editor at *The Indian Express*, the country's largest English language newspaper, is arrested.

July 26—8 prominent elderly opponents of Gandhi's restrictive curbs on freedom of the press and speech are arrested.

IRAN

July 20—A spokesman for Iran Air, the national airline, says that the government will not lend Pan American World Airways a proposed \$300-million aid package. He states that "Iran has other priorities for its development projects."

IRAQ

(See *Syria*)

ISRAEL

(See *Intl, Middle East Crisis; Lebanon; U.S., Foreign Policy*)

ITALY

(See also *U.S., Labor and Industry*)

July 22—Amintore Fanfani resigns as head of the Christian Democratic party. He was voted out of that position by the party's national council by a vote of 103 to 69.

JORDAN

(See also *U.S., Foreign Policy*)

July 23—King Hussein warns the U.S. Congress that

if a promised \$350-million air defense system is not forthcoming Jordan will "not hesitate to seek the weapons we need from other sources."

KOREA, REPUBLIC OF (South)

July 9—The National Assembly approves 3 "war-time security" bills, which provide for a civil defense corps, a "defense tax" to raise an additional \$400 million to augment the defense budget, and a controversial "public security" measure that permits the government to put under surveillance anyone once convicted of violating the anti-Communist and national security laws.

LAOS

July 4—In Vientiane, the government returns to the U.S. the U.S. Information Service Library seized a week ago by Pathet Lao troops and student demonstrators.

LEBANON

July 7—An Israeli force attacks a Palestinian refugee camp by land, sea and air. Casualties are reported as light.

July 12—Colonel Ernest R. Morgan of the U.S. Army is released unharmed. He was kidnapped June 29 and held for ransom by the Socialist Revolutionary Action Organization.

July 16—The 2-week old Cabinet of Premier Rashid Karami wins a vote of confidence in Parliament.

NIGERIA

July 9—In Lagos, government troops take over the U.S. embassy annex. The government makes no comment.

July 29—The military deposes Chief of State General Yakubu Gowon while he is attending the Organization of African Unity meeting in Kampala, Uganda. Brigadier General Muritala Rufai Mohammed is named Chief of State and commander in chief of the armed forces.

THE PHILIPPINES

July 24—In Manila, Thailand's Premier Kukrit Pramoj and President Ferdinand E. Marcos issue a joint communiqué calling for the gradual phasing out of the Southeast Asia Treaty Organization.

POLAND

(See U.S., Foreign Policy)

PORTUGAL

July 3—The military government announces its intention to nationalize all radio stations, including those now operated by the Catholic Church.

July 9—The Armed Forces General Assembly initiates a system of "direct democracy" in which the peo-

ple will be given a direct role in the government, bypassing the political parties.

July 10—The Socialist and Popular Democratic parties denounce the government's decision to institute "people's assemblies."

Republica, the daily paper whose ownership has been disputed, reappears on the newsstands under government control.

July 11—The Socialist party resigns from the coalition Cabinet.

July 12—2 Socialist ministers and 5 deputy ministers resign from the Cabinet.

Troops are put on alert.

July 17—2 ministers and 2 deputy ministers of the Popular Democratic party resign from the Cabinet. 2 independent ministers also withdraw from the Cabinet.

The ruling military government announces its decision to form a new Cabinet.

July 18—The government places its troops on full military alert, warning that it will use "force of arms" against "counterrevolutionary forces."

July 19—In Lisbon, Socialist party members demonstrate against the Communist party.

July 20—President Francisco da Costa Gomes asks the Socialists and Popular Democrats to cooperate in a new government. Mario Soares, Socialist party secretary general, says that the Socialists will not join the government until Premier Vasco Gonçalves is removed.

July 22—2 high-ranking independent ministers and a 3d, a close friend of Premier Gonçalves, resign from the Cabinet.

July 25—After a 12-hour meeting of its 240-member assembly, the governing Armed Forces Movement announces that all military and political power will be entrusted to 3 generals, President Francisco da Costa Gomes, Premier Vasco Gonçalves and Otelo Saraiva de Carvalho.

July 29—The minister of information imposes a military censorship on all news coming from the strife-torn Portuguese territory of Angola.

July 31—After an all-night meeting, the 30-member High Revolutionary Council approves the 3-man ruling junta.

Portuguese Territories

(See also *Intl*, *OAU*; *Cape Verde Islands*; *Sao Tome and Principe*)

ANGOLA

July 9—In Luanda, fighting erupts between 2 nationalist groups.

July 14—The Portuguese foreign minister arrives in Luanda to try to stop the fighting. 300 people have been reported killed and 1,500 injured in the last 5 days.

After their offices are destroyed in Luanda, leaders of the National Front for the Liberation of Angola are forced to seek refuge in Zaire.

July 16—Calm returns to Luanda.

July 20—The just-announced cease-fire breaks down as members of the Popular Movement Front attack with heavy mortar fire a fort where the rival group, the National Front, has taken refuge.

July 27—Americans and Europeans flee Luanda; rival Angolan forces continue to battle each other for control of Luanda.

RHODESIA

July 5—In Dar es Salaam, Tanzania, talks on black Rhodesian rule begin between black Rhodesian leaders and the Presidents of 4 African countries, Mozambique, Zambia, Tanzania and Botswana.

SAO TOME AND PRINCIPE

July 12—The islands off the west coast of Africa become independent of Portugal. Manuel Pinto da Costa is installed as President.

SAUDI ARABIA

(See *Intl, Middle East Crisis*)

SYRIA

(See also *Intl, Middle East Crisis*)

July 8—In a continuing dispute over troop movements along a common border, the government orders Iraq's military attaché and his staff to leave the country.

TAIWAN

July 14—The government begins a release of prisoners in honor of the late President Chiang Kai-shek.

TANZANIA

July 25—Kenneth Smith, the last of 4 hostages, still being held for ransom by guerrillas operating from the jungles of Zaire, is freed unharmed.

THAILAND

(See also *China; Philippines*)

July 1—The government establishes formal diplomatic relations with China.

TURKEY

(See also *U.S., Foreign Policy, Legislation*)

July 17—Talks begin between the U.S. government and the Turkish government on the future of U.S. bases in Turkey.

July 25—Saying that existing joint defense agreements between Turkey and the U.S. "have lost legal validity," the government announces that it

will halt activities at U.S. military installations in Turkey; the base at Incirlik will be permitted to continue defense operations related to its NATO duties.

July 26—Turkish military forces start to take control of U.S. bases in Turkey.

July 31—In Helsinki, U.S. Secretary of State Henry Kissinger announces that Premier Suleyman Demirel has refused U.S. President Gerald Ford's offer to give Turkey \$50 million in U.S. weapons in exchange for the reopening of U.S. bases in Turkey.

UGANDA

(See also *Intl, OAU*)

July 10—President Idi Amin frees British lecturer Denis Hills, who has been held in a military prison for 3 months. British Foreign Secretary James Callaghan is meeting with Amin in Kampala when Hills is freed.

U.S.S.R.

(See also *Intl, Science and Space; U.S., Economy, Foreign Policy*)

July 1—The government announces a new law (effective January 1, 1976) that places a 30 percent tax on all money sent from abroad to Soviet citizens.

July 12—An article in *Pravda*, the Communist party newspaper, accuses U.S. Secretary of Defense James Schlesinger of "playing a dangerous game with his belligerent statements" to the U.S. Congress about U.S. policy on the use of nuclear weapons.

July 21—Soviet cosmonauts aboard the Soyuz 19 descent vehicle land safely in Soviet Central Asia, successfully completing their rendezvous in space with U.S. Apollo astronauts.

July 26—2 Soviet astronauts return to earth safely after setting a Soviet space record of 63 days in space in their Salyut 4.

UNITED KINGDOM

Great Britain

(See also *Uganda*)

July 1—In a statement before the House of Commons, Chancellor of the Exchequer Denis Healey warns that the government will impose statutory wage and price controls if labor and management cannot limit wage increases to 10 percent.

July 8—The mine workers union votes not to ask for a 60 percent wage increase at this time.

July 9—The General Council of the Trades Union Congress votes for weekly pay increases well below the 10 percent ceiling requested by the government.

July 11—Prime Minister Harold Wilson presents his economic program to the House of Commons.

July 18—The government reports a 26.1 percent increase in consumer prices for June, 1975, over June, 1974. There was an increase of 1.9 percent from May, 1975.

Northern Ireland

July 10—David O'Connell, vice president of the Sinn Fein and the "most wanted man in Northern Ireland," is arrested and charged with being a member of the outlawed Irish Republican Army.

July 24—Merlyn Rees, secretary of state for Northern Ireland, announces the government's decision to end its policy of holding suspected terrorists without trial. All internees will be released by Christmas, 1975.

UNITED STATES

Administration

July 21—The President meets with the family of Frank R. Olsen and apologizes for the alleged action of the CIA, which is said to have given Olsen a dose of LSD in 1953 that led to his unexplained suicide.

Economy

July 1—The Department of Commerce reports that manufacturers' inventories declined \$1.44 billion in May, a record reduction in a single month. New orders rose 0.3 percent, or \$260 million.

July 3—The Department of Labor reports that the unemployment rate declined from 9.2 percent of the labor force in May to 8.6 percent in June.

July 10—William E. Simon, secretary of the treasury, says he is "optimistic" that the federal budget deficit for fiscal 1976 will be about \$60 billion.

July 14—The Commerce Department reports that total business inventories were cut by \$3 billion in May.

July 15—The Federal Reserve Board reports that, after an 8-month decline, industrial production rose 0.4 percent in June.

July 17—The Department of Commerce reports that in the 2d quarter of 1975, the nation's gross national product declined at an annual rate of 0.3 percent, according to preliminary figures.

July 21—The Department of Agriculture reports that the Soviet Union has bought 177 million bushels of corn and 51 million bushels of barley from the Continental Grain Company. Last week, the Soviet Union reportedly bought 117 million bushels of wheat from Cook Industries, Inc., and Cargill, Inc., and 73 million bushels from the Canadian wheat board. The U.S. ordinarily produces some 55 billion bushels of feed grain annually.

July 22—The Department of Labor reports that in June the Consumer Price Index rose 0.8 percent,

the sharpest increase for a month in 1975 and twice the May rise of 0.4 percent.

July 28—The Department of Commerce reports a record foreign trade surplus of \$1.74 billion for the month of June.

The director of the Office of Management and Budget, James T. Lynn, and Secretary of the Treasury William Simon release the final budget figures for fiscal 1975, which ended June 30; they show a deficit of \$44.2 billion as against a February, 1975, estimate of \$34.7 billion. The officials warn that President Ford's target of a \$60-billion deficit in the current year is likely to be surpassed because of congressional actions.

July 29—The Commerce Department reports a 1.9 percent rise in the Index of Leading Indicators, a significant increase for the fourth consecutive month.

Foreign Policy

(See also *Intl. European Conference on Security and Cooperation, Middle East, OAS; Indonesia; Turkey; U.S.S.R.*)

July 1—Secretary of Defense James R. Schlesinger says that if the U.S. faced defeat in a conventional war, it might use nuclear weapons, abandoning the no-first-use doctrine.

July 3—The State Department announces that Secretary of State Henry Kissinger and Israeli Ambassador to the U.S. Simcha Dinitz met secretly in the Virgin Islands July 1 and 2 to discuss Middle East issues, at Israel's request.

July 11—Kissinger reports "progress" on a nuclear arms agreement; it is reported that the Soviet Union has accepted the principle of direct on-site inspection of nuclear explosions in accord with a projected "nuclear threshold treaty."

July 14—In Milwaukee, Kissinger declares that the "arbitrary tactics" of the third world majority in the U.N. General Assembly are antagonizing the American people.

July 15—Kissinger reveals that he advised President Gerald Ford not to meet with Aleksandr I. Solzhenitsyn, exiled Soviet novelist, because the meeting would have been "disadvantageous" to American foreign policy.

July 26—President Gerald Ford arrives in Bonn, West Germany, on the first leg of a 10-day European diplomatic trip.

July 27—President Ford and West German Chancellor Helmut Schmidt pledge economic cooperation.

July 28—Senator Clifford Case (R., N.J.) announces the administration's decision to suspend plans to sell 14 Hawk anti-aircraft missile batteries to Jordan because of congressional opposition.

President Ford meets with Polish Communist party leader Edward Gierek in Warsaw.

The State Department confirms that all military activity at U.S. bases in Turkey has been halted.

July 29—At Auschwitz, President Ford pays homage to the 4 million victims murdered there by the Nazis; he leaves Poland for Helsinki, Finland.

July 30—In Helsinki, President Ford meets with Soviet Party Secretary Leonid I. Brezhnev before the opening of the European security conference.

Labor and Industry

July 3—Albert Rees, director of the Council on Wage and Price Stability, asks 4 aluminum companies to postpone price rises for 30 days.

July 12—The Exxon Corporation reveals that through its affiliate, Esso Italiana, it made contributions to political parties in Italy of between \$46 million and \$49 million over a 9-year period; \$86,000 apparently was paid to the Italian Communist party.

July 22—The Brotherhood of Railway and Airline Clerks ratifies a new contract; it is estimated that by the end of the 3-year contract period, average annual pay for union members will be \$16,582.99.

Legislation

(See also *Turkey*)

July 2—The President signs a compromise housing bill that makes \$10 billion available for government purchase of housing mortgages at 7.5 percent interest.

July 6—Rejecting the advice of the Budget Office and the Department of Defense, the President asks Congress to make \$1.2 billion available to the Navy to build a nuclear-powered cruiser.

July 16—The House of Representatives votes 202 to 211 to refuse funds to the Department of Health, Education and Welfare in fiscal 1976 for enforcement of the sex integration of physical education classes in the nation's schools and colleges.

The President formally notifies Congress that he plans to end all price controls on oil during the next 30 months.

July 17—The House votes 239 to 172 to approve legislation rolling back the price of oil produced domestically; the Senate approved the measure yesterday by a vote of 57 to 40. The legislation would cut the price of domestic oil, now about \$13 a barrel, to \$11.28.

The House of Representatives replaces its Select Committee on Intelligence with a new and larger panel. Neither Lucien N. Nedzi (D., Mich.) or Michael Harrington (D., Mass.) are to serve on the new committee; the fitness of both these congressmen to participate has been challenged at length in the House. The chairman of the new panel is Otis G. Pike (D., N.Y.).

July 22—Voting 262 to 167, the House defeats the President's proposal to let oil prices rise gradually over the next 30 months. All controls on the price of oil will be automatically ended August 31 unless the President's power to control oil prices is extended.

The House votes 407 to 10 to restore the American citizenship of Robert E. Lee, who lost his citizenship because he commanded Confederate troops in the Civil War. The Senate passed the legislation unanimously in April.

July 24—The House votes 223 to 206 to reject the administration's efforts partially to suspend the 6-month-old arms embargo against Turkey, first established February 5 because Turkey used U.S. arms in the invasion of Cyprus in the summer of 1974.

July 26—President Ford vetoes the \$2-billion health-care bill; the Senate overrides the veto, 67-15.

July 28—The House passes a bill extending the Voting Rights Act of 1965 346-56 and sends the bill to President Ford; the Senate passed the bill July 24.

July 29—The House votes 348-43 to override the President's veto of the health-care bill; this is the first time in this session that Congress has been able to override a presidential veto.

July 30—The House votes 228 to 189 to reject the President's proposal for a gradual rise in oil prices over 39 months.

The Senate votes 71 to 21 to declare New Hampshire's disputed Senate seat vacant as of August 8; both contenders for the seat have asked for a new election. (See *U.S., Legislation*, February 3, in *Current History*, April, 1975, page 192.)

Voting 214 to 213, the House approves a cost-of-living pay increase for members of Congress, government executives and federal judges; the Senate passed the bill by a vote of 58 to 29 yesterday.

July 31—Voting 303 to 117, the House completes congressional action on a bill extending the President's authority to control oil prices for 6 months after August 31. The President is expected to veto the bill.

Military

July 19—*The New York Times* reports that the Defense Department has not approved the Navy's plans to build a fleet of 12 nuclear-powered supercarriers. (See also *Legislation*.)

July 28—Rejecting a resolution denying construction funds by a 53-43 vote, the Senate permits the Navy to go ahead with the construction of a naval facility on British-owned Diego Garcia island in the Indian Ocean; the Department of Defense has

sought the base to counter Soviet activities in the Indian Ocean.

Political Scandal

July 4—The Appellate Division of the State Supreme Court in New York disbars John N. Mitchell, President Richard Nixon's Attorney General, who was implicated and convicted in the Watergate scandal.

The director of the Federal Bureau of Investigation, Clarence M. Kelley, admits that after World War II FBI agents, without court warrants, were engaged in break-ins and burglaries to secure "information relative to the security of the nation."

July 8—A report filed by Ashland Oil, Inc., with the Securities and Exchange Commission reveals that Ashland received almost \$99,000 in 5 recent years from the Central Intelligence Agency for undisclosed purposes.

CIA director William Colby releases the CIA's internal report on domestic spying by the CIA.

July 11—U.S. federal district Judge John J. Sirica reduces to "time already served" the sentences of 4 Cuban-Americans involved in the break-in at the Democratic party's Watergate headquarters on June 17, 1972.

July 17—The Postmaster General discloses that private mail from the Soviet Union seized by the CIA in 1972 has been found undelivered at a CIA office.

Rockefeller Commission sources reveal that the commission believes that Dr. Sidney Gottlieb, the chief of the CIA's program to test the mind-altering drug LSD, destroyed records of the program in 1973 because the program may have involved illegal acts. It has been charged that in the course of an experiment, Frank R. Olsen was given LSD, and consequently jumped to his death from a New York City hotel room. (See also *Administration*.)

July 21—The Bunge Corporation, one of the world's largest grain companies, and 13 of its current and former executives are indicted by a federal grand jury in New Orleans on charges of conspiring to steal grain by short-weighting shipments and conspiring to conceal the thefts. The indictments rise out of the continuing federal investigation into corruption in the handling, weighing and grading of grain for export; a total of 20 indictments in the New Orleans and Houston areas have already been returned.

July 22—CIA documents made public in Washington reveal that on at least 9 occasions in the last 20 years the CIA withheld from the Justice Department information about possible criminal actions of CIA employees.

In a class action suit filed by the American Civil Liberties Union in federal district court in Providence, R.I., it is charged that 30 present and for-

mer CIA employees illegally opened the mail of Americans. The Rockefeller commission investigating CIA activities reported in June that the agency handled 4.35 million pieces of mail, examined the outside of 2.3 million, photographed the outside of 33,000, and opened 8,700, in the last full year of the program.

July 23—"Authoritative government sources" in Washington, D.C., report that the CIA was authorized by President Richard Nixon in September, 1970, to try to keep Salvador Allende Gossens from becoming President of Chile. Allende, a Marxist, was elected President of Chile on September 4, 1970. He was subsequently killed in a military coup in September, 1973; it has been charged that the CIA was involved in the coup.

Politics

July 8—President Gerald Ford formally announces from the White House that he will seek the Republican nomination for the presidency in 1976 "in order to finish the job I have begun."

July 9—Howard H. Callaway, chairman of President Ford's campaign committee for the 1976 Republican candidacy for President, announces that the campaign organization will make no attempt to win delegate support for Vice President Nelson Rockefeller for the vice presidential nomination on the Republican ticket.

July 24—In an interview at the White House, the President declares that he and Alabama Governor George Wallace, a conservative Democrat, share "a good many similarities" on domestic issues.

Science and Space

(See *Intl, Science and Space*)

July 24—The last Apollo space mission ends successfully as the 3 astronauts land in the Pacific Ocean.

July 25—The Apollo astronauts enter an army hospital in Honolulu for treatment of respiratory irritations caused by a gas released in their spacecraft during their descent to earth.

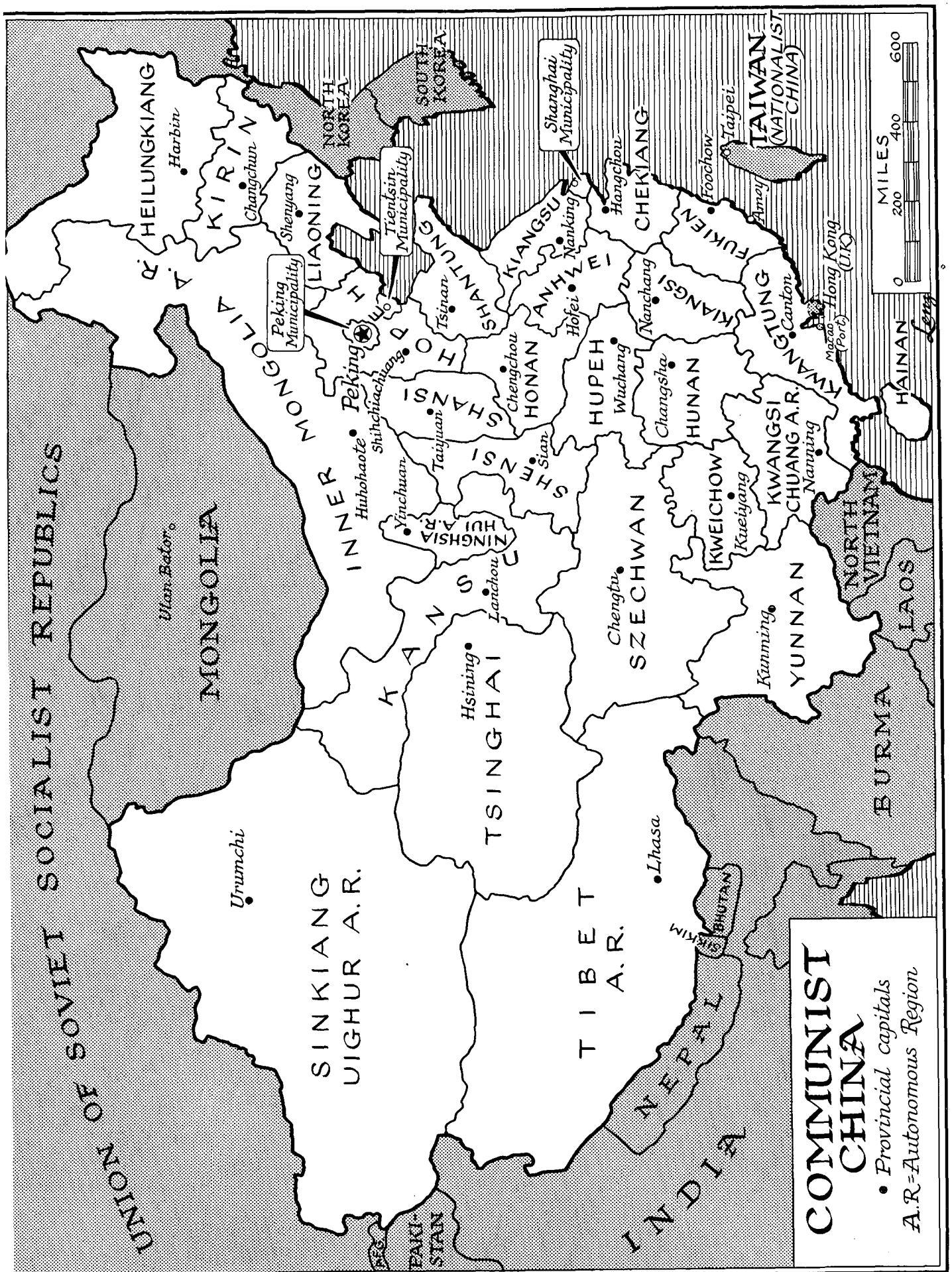
Supreme Court

July 6—The U.S. Supreme Court concludes its 1974-1975 term; it delivered 137 rulings.

VIETNAM, REPUBLIC OF (South)

July 5—The *New York Times* reports that the 1st election since the April, 1975, take-over by North Vietnam was held in a working-class ward in Saigon. A 7-member People's Revolutionary Committee was elected.

July 22—In Paris, the Provisional Revolutionary Government's Foreign Minister Nguyen Thi Binh says that there have been "certain acts of sabotage" since the Communist take-over and that some of those responsible have been arrested.



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